THE EMPIRE CLUB

ADDRESSES 1965-1966

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The Empire Club of Canada

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LT. COL. E. A. ROYCE, E.D.
President – 1965-1966

ADDRESSES 1965-1966

CANADA AND A UNITED COMMONWEALTH

The Empire Club of Canada

GOD SAVE THE QUEEN

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The Empire Club of Canada

Sixty-Third Year of Issue

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†*Deceased*

EXCERPT FROM *Origin and Objects of the Empire Club*

PUBLISHED IN *The Year Book for 1903-04*

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut. Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principals and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

The opinions and views expressed in the Addresses contained in this volume are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

Edited by John W. Griffin.

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MR. JUSTICE W. O. DOUGLAS
HON. S. J. RANDALL
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HON. GEORGE HEES

The Empire Club of Canada

HER MAJESTY
QUEEN ELIZABETH
THE QUEEN MOTHER

In June of 1965 Her Majesty Queen Elizabeth the Queen Mother visited Canada to present new colours to The Toronto Scottish Regiment of which she is Colonel-in-Chief.

The Empire Club of Canada was given the opportunity to tender a dinner to Her Majesty in honour of her regiment and to combine with this a tribute to The Royal Canadian Military Institute which was then celebrating its 75th year.

Arrangements were made during the preceding months under the direction of Lt. Col. Robert H. Hilborn, M.B.E., at that time President of the Empire Club and former Commanding Officer of the Regiment.

At the request of Lt. Col. E. A. Royce, E.D., the President of the Empire Club, Lt. Col. Hilborn agreed to act as Chairman of the Dinner.

JUNE 24, 1965

Royal Visit Dinner

IN HONOUR OF The Toronto Scottish Regiment
The Royal Canadian Military Institute

CHAIRMAN The Immediate Past President
Lt. Col. Robert H. Hilborn, M.B.E.

COLONEL HILBORN:

Your Majesty, Your Honour, Right Honourable Sir, Mr. Prime Minister, Mr. Minister, Your Worship, Mr. Chairman Metropolitan, My Lords, My Lady, Colonel Learment, distinguished Head Table Guests, Officers of The Toronto Scottish Regiment, Members of the Royal Canadian Military Institute, and the Empire Club of Canada: May it please Your Majesty. On behalf of all present at this magnificent and historic dinner I respectfully extend to Your Majesty a Royal welcome.

Seated here tonight, Your Majesty, are the past and present officers of your Regiment and with them officers of the three services in Canada's Armed Forces who proudly unite, without surrender of individual loyalties and traditions, in the Royal Canadian Military Institute.

As hosts, gathered to do honour to Your Majesty, to Your Majesty's Regiment and to the Military Institute, are the members of the Empire Club of Canada representing a broad cross-section of the citizens of this city and metropolitan area–the church, the professions, commerce and the arts, including politics. And may I say that there are here tonight representatives from all levels of government and equally, I trust, on this great and royal occasion, representatives of those who would govern.

We are deeply conscious of the signal honour of Your Majesty's presence during this, the first private visit to one of Your Majesty's Regiments in the Commonwealth outside of the United Kingdom. We of the Empire Club of Canada are particularly proud indeed, to honour, in the presence of its Colonel-in-Chief, The Toronto Scottish Regiment on the occasion of its Golden Jubilee and to pay tribute to the Royal Canadian Military Institute on its 75th Anniversary.

May I be permitted to say that the warmth of the welcome Your Majesty has and will receive on this great occasion of your visit to Toronto is bound up in a very special way with the admiration that all Canadians feel for what you are in yourself.

Your Majesty with your late and beloved husband, King George VI, bore a responsibility unparalleled in the world. Your Majesty continues to consecrate your life to the public service and to show constantly, faith in God, a great concern for human well-being and a delight in the joys of family life. These qualities and values bind us to you with an affection for your presence that is greater even than our sense of the majesty of your position.

The Honorary Colonel of The Toronto Scottish Regiment, Colonel The Right Honourable Lord Thomson of Fleet will propose a toast to the Colonel-in-Chief following which the Commanding Officer, Colonel Learment, will come forward to make the presentation. With Your Majesty's permission, due to the presence of large numbers of very welcome but generally uninitiated Sassenachs, the toast will not be proposed with the usual Highland honours.

LORD THOMSON:

A traditional loyal toast at all Mess Dinners of The Toronto Scottish Regiment is one to our beloved and gracious Colonel-in-Chief. Regrettably, as this toast is usually proposed "in absentia", there can be no response, but it is no less heartfelt for all that.

Tonight we are honoured in the rare presence of our

Colonel-in-Chief. Ladies and Gentlemen, I ask you to rise, charge your glasses and drink with me to the health of Her Majesty, Queen Elizabeth, The Queen Mother, Colonel-in-Chief of The Toronto Scottish Regiment.

COLONEL LEARMENT:

May it please Your Majesty. As a token of the warm regard and deep affection that the members of The Toronto Scottish Regiment hold for their Colonel-in-Chief, and to mark the presence of Her Majesty on the occasion of the 50th Anniversary of the Regiment, I have the honour, on behalf of all ranks of the Regiment, to proffer Your Majesty this Regimental brooch and trust that it will continue to serve as a symbol of the loyal devotion and feeling of warm regard held by all ranks of the Regiment for our Colonel-in-Chief.

HER MAJESTY QUEEN ELIZABETH
THE QUEEN MOTHER:

I thank you, Lord Thomson, for your kindness in proposing my health. I am deeply touched by the manner in which this toast has been honoured. May I ask you, Colonel Learment, to convey to all ranks of my Regiment my heartfelt thanks for this beautiful brooch, a replica of the Regimental Badge. I shall wear it with pride and it will always bring to me warm and happy memories of my visits, in peace and in war, to the Toronto Scottish and recollections of this most enjoyable dinner.

I think that I fell in love with Canada when the King and I came here in 1939. And each time I come back my feeling of affection seems to grow. So, it is a great pleasure for me to be once again in Toronto, where this evening, as on all previous occasions, I have been so much moved by the warmth of your welcome.

I am happy that this visit affords me the opportunity of dining not only with the officers of my Regiment but also with the members of both the Royal Canadian Military

Institute and the Empire Club of Canada. These three institutions are firm bulwarks in a changing world preserving and perpetuating those traditions which have contributed so much to the greatness of Canada. The unity of the Commonwealth finds expression in such enduring organizations with their common attachment to the principles of peace and freedom.

To the Empire Club of Canada I extend my gratitude for the honour you do my Regiment tonight. Your name reminds us of the unique service of the British Commonwealth in linking and harmonizing the Old world and the New. Your constant efforts for a united Canada have proclaimed for over sixty years the ideals of faith, responsible nationhood and loyalty to your Sovereign.

Many of you in this room have served with more than one of the three distinguished organizations represented here. In our Chairman of this gathering we have a former Commanding Officer of my Regiment, a member of the Institute and also the Immediate Past President of this Club.

This year marks the 75th Anniversary of the founding of the Royal Canadian Military Institute. I congratulate its members for being constant and faithful to the high aims and objects set out three quarters of a century ago. Great and honourable military traditions have been nurtured and stimulated, sometimes in difficult days when support and encouragement were sorely needed.

I am very happy that this dinner brings me the opportunity of meeting the present and former officers of my Regiment. Those of you who have served in two wars, and in the years of peace, not only do me honour by your presence here tonight but you give strength and inspiration to those who carry on with the same devotion in the service of our Regiment and of our Queen. May they, and those who follow them, be moved by the traditions of the past to maintain and further these high standards of devotion to duty, efficiency and loyalty which are so precious a heritage of our Regiment.

COLONEL HILBORN:

Your Majesty, may I say on behalf of all present, how deeply grateful we are for your presence and for the warmth and inspiration of Your Majesty's message. Your words and the remembrance of this great occasion will remain with us to hearten us and encourage us.

It is my pleasure to call upon one who discharged with great distinction his duties as President of the Empire Club of Canada during its Diamond Jubilee year in 1963, Major Arthur Langley, to propose a toast to the Royal Canadian Military Institute.

MAJOR LANGLEY:

Mr. Chairman, Your Majesty, Your Honour, My Lady, Right Honourable and distinguished sirs: His Excellency The Governor General, Georges Vanier, recently said of the Royal Canadian Military Institute, that it has done much to preserve and stimulate that sense of honourable, loyal and united service which is the real strength of Canada's Armed Forces. I know that it is because The Toronto Scottish so ideally typify these virtues that the Institute has been pleased to join in this tribute to Your Majesty's Regiment.

The Military Institute is without parallel in this country with its magnificent library and museum dedicated to the promotion of military science and literature and to the preservation of our military history and traditions. The Institute is a unique rallying point for all of our sea, land and air services, regular and reserve, serving and ex-service.

It is a great privilege to salute this famous Canadian institution by extending it our heartiest congratulations on its 75th Anniversary of devoted service to Queen and to country. Again in General Vanier's words, "May it long continue so to serve".

Would you rise now and with me toast the Institute.

COLONEL HILBORN:

Thank you, Major Langley.

Responding to this toast is the honoured President of the Royal Canadian Military Institute, Captain John Lake.

CAPTAIN LAKE:

Mr. Chairman, Your Majesty, Your Honour, My Lady, Right Honourable Sirs, distinguished guests and gentlemen: I should like to thank Major Langley for his glowing tribute to the Royal Canadian Military Institute on its 75th Anniversary. We shall always be indebted to the Empire Club of Canada for honouring the Institute and permitting our members to participate in this historic occasion of Your Majesty's famous Regiment.

The Institute is proud indeed that its membership of more than 2,000 navy, army and air force officers includes many distinguished officers who have served or are now serving with The Toronto Scottish Regiment. With their strong support together with that of our other members, I feel confident that the Royal Canadian Military Institute will continue to remain the constant guardian of Canada's ideals and principles of military tradition and of service to our Queen and country. Thank you.

COLONEL HILBORN:

Another distinguished Past President of the Empire Club who, not content to rest upon laurels earned during his year of 1958, has continued to serve without stint or stipend. This magnificent dinner tonight has been his most recent responsibility, and is eloquent testimony to his energy, contrivance and unselfish dedication. Colonel Bruce J. Legge will propose a toast to the Empire Club of Canada.

COLONEL LEGGE:

Mr. Chairman, Your Majesty, Your Honour, My Lady, Right Honourable, gallant and distinguished gentlemen: It is an exhilarating honour to speak as a royalist among royalists, a commonwealth man among commonwealth men and a Canadian among Canadians.

In the Empire Club of Canada we believe that the Pax Britannica was the beginning of the great new age and it is becoming more golden as the Commonwealth evolves. At the height of that peace the Empire Club was formed to advance the interests of Canada and the Commonwealth and Empire. The Empire Club is not a club like other clubs. We uphold our historical name and traditions, but lest you think we are too complimentary to ourselves, let me tell you a Scottish tale.

A distraught widow sat at her husband's funeral, intent on the minister's eulogy. As the superb hyperbole rolled on, incredulity overcame her grief, she stopped crying and said to her son: "Laddie, hurry up to the coffin, look inside and see if it's really your father he's talking about."

In the case of the Commonwealth truth is the purest praise. To each of us the Commonwealth is many things. It is full of spectacular discoveries and replete with learning, bravery and splendors. It is the Charge of the Light Brigade, the Battle of Trafalgar, the Dieppe Raid. It is the Changing of the Guard, both at Buckingham Palace and on Parliament Hill. The Commonwealth is the C.P.R., the East India Company, and now the Colombo Plan. The Commonwealth is charming with customs. Both Britain and Canada are tribal countries and we relish the kilts and the pipes and drums of our Highland, Irish and Scottish Regiments. The Commonwealth is political and judicial excellence. Seven hundred and fifty years ago the Magna Charta gave to all Her Majesty's subjects civil liberty, and the Queen has now dedicated an English acre as the Kennedy Memorial at Runnymede. The Commonwealth is the parliaments of free men, in Westminster or New Delhi. It is the Bill of Rights. It is trial by jury. The Commonwealth is John Locke, Gandhi, Laurier and Sir John A. Macdonald. The Commonwealth is of the mind and soul. It is Cardinal Newman, John Knox and John Wesley. It is Watson-Watt and radar; Fleming and penicillin; Best and Banting and insulin. It is the graces of the incomparable Royal Ballet. It is a free press ringing with the names of the Times, the Guardian and Lord Thomson's papers in every Canadian town.

To all of us the Commonwealth is something unique and full of example but impossible of description. It is like the sovereignty of a gracious Queen. To some it is an empire for trade, an imperial ice age, and there are those who with unseemly haste would bury the commonwealth too.

The immortal Churchill told a story of the man whose mother-in-law died in California. He was asked for instructions about her burial, and wired his reply: "Embalm, cremate, bury–take no chances."

May it please Your Majesty, the Empire Club cannot be buried for it is part of the new ideal, the Commonwealth of free peoples. Everyone knows that our members are friends who have met for over 60 years to listen in famous forum. Our Club is both royal and loyal. Our Honorary President, the Governor General, Georges Vanier, has eloquently recalled the diversity of our origins. No one exceeds him and our members in fealty to our sovereign lady, the Queen: "The Empire Club is distinctively Canadian and in serving Canada serves the Commonwealth."

On this glorious occasion when the Club entertains Her Majesty at dinner with her Regiment, The Toronto Scottish, I ask you to drink a toast to the Empire Club of Canada.

COLONEL HILBORN:

Thank you, Colonel Legge. Responding to this toast is Colonel E. A. Royce, Honorary Lieutenant Colonel of the 7th Toronto Regiment, R.C.A., and the eminent President of the Empire Club of Canada. Colonel Royce.

COLONEL ROYCE:

Mr. Chairman, Your Majesty, My Lady, My Lords, distinguished guests, gentlemen–as a gunner among the infantry, a Sassenach among the Scots and a man whose speech has just been given by the preceding speaker, my position is none too attractive! Colonel Legge has spoken kindly of the Empire Club of Canada as well he might since he has been one of the chief architects of the Club in recent years, however he has spoken kindly of us and I thank him. With the Chairman, it is a great pleasure to welcome our good friends from the Royal Canadian Military Institute and our special guests the Toronto Scottish Regiment whose Colonel-in-Chief we are so proud to honour in the person of that gracious and beloved lady, the Queen Mother.

When the Empire Club was formed almost 62 years ago, the founding members agreed that its work and policy should be devoted to the unity of the Empire. The qualities that built that Empire, courage, loyalty and dedication to duty, remain as important today as they ever were in the past and certainly no one has more fully embodied these qualities or contributed more to this unity than our royal guest tonight.

We of the Empire Club believe that the Commonwealth and Empire have yet a glorious part to play in the unfolding story of mankind, we believe in Canada, undivided, within the Commonwealth, and we believe that this family of nations can best fulfil its destiny when bound together by the golden cord of the Monarchy. These are our beliefs, constant and unchanging despite the passage of more than 60 years and two great wars which changed so much. These beliefs inspired our founders, sustained their successors over the years and still illuminate a path which we trust will always be that of tolerance, justice and freedom under the British Crown.

COLONEL HILBORN:

To propose the toast to The Toronto Scottish Regiment is one from the Senior Service who served with distinction under the White Ensign on the Atlantic, on the Pacific and in the Mediterranean during World War II, and who now, under a Red Ensign, is the honoured Captain of our Provincial Ship of State.

A very warm welcome to the distinguished Prime Minister of Ontario, The Honourable John P. Robarts.

MR. ROBARTS:

Your Majesty, Your Honour, distinguished guests, gentlemen: It is rather fun to be a sailor among a group of soldiers. I would say, Your Majesty, on the occasion of your visit here to Toronto we are afforded an opportunity, as has been amply demonstrated by those who have stood here before me, to express our very warm and very sincere sentiments of affection and loyalty to Your Majesty, to the Royal Family and to extend you a welcome befitting this very historic occasion.

Here in this gathering tonight in honour of The Toronto Scottish Regiment and to pay tribute to the Royal Canadian Military Institute which is celebrating its 75th Anniversary, we meet under the aegis of the Empire Club of Canada which last year celebrated 60 years of service, not only in this City but far beyond its boundaries. And we are, Your Majesty, very deeply conscious of the honour all of us enjoy as you visit our Province of Ontario.

I think we all recall those days of 26 years ago when you and your gracious husband, King George VI, crossed Canada from ocean to ocean, from east to west. We welcome you now as we did in those days with full hearts and with very deep emotion. We also remember when you returned home from that visit, at a luncheon in the Guild Hall which took place 26 years ago yesterday on the 23rd day of June, 1939, in referring to his journey across Canada His Majesty, King George VI said, and I think these words have significance 26 years later and I quote: "It was the desire to serve the ideals of the Commonwealth which led me to undertake my journey, to foster its sane and wholesome faith, to show if I could that its headship, which I have been called upon to assume, exists today as a potent force for promoting peace and good-will among mankind. These were the objects that I, and the Queen with me, set out to fulfill. It will be a source of thankfulness to us all our lives long if we have in some sort succeeded."

On this occasion 26 years later it is a great honour for me to say that the understanding, the friendship, the good-will then so manifested by Your Majesties with such sincerity accomplished its dedicated purpose. All of this Commonwealth of Nations, I would suggest, are one family, and one household, and in leaving the old land to visit Canada and the Canadian domain, you simply come from one home to visit another.

In 1937, Your Majesty, you graciously consented to become the Colonel-in-Chief of The Toronto Scottish Regiment, an event which will always serve to recall to you the ties which unite Canada and your native Scotland. This Regiment sprang from the 75th Canadian Infantry Battalion, recruited during the First World War. The first Colours were presented to the Battalion on March 16th, 1916, by the late Thomas L. Church who at that time was considered to be the perpetual Mayor of Toronto, and this has only served to prove the fallibility of man. That Battalion went through many engagements in France, was awarded 16 battle honours and after the return of the infantry unit to Toronto by General Orders it was redesignated The Toronto Scottish Regiment. It is allied with the 14th County of London Battalion which is the London Scottish Regiment. Now the motto of this Regiment, Your Majesty, is "Carry On", and I feel that this has probably been interpreted on some occasions in more ways than one.

In May of 1939, Your Majesty, you presented new Colours to your Regiment on the campus of the University of Toronto. The fall of 1939, of course, saw the Regiment in war once again. Mobilized to full strength in a very short period of time, the Regiment was the first complete Canadian unit to land in the United Kingdom following the commencement of hostilities in World War II. It was the first Canadian Militia Regiment ever to mount guard on Buckingham Palace, and through the history of the fighting in France – I will not attempt to detail the engagements – suffice it is to say, in the words of Major General A. B. Matthews, and I quote: "It was a tower of strength with a degree of morale unexcelled anywhere in the Canadian Forces and in keeping with the highest standards and fine tradition of the Regiment."

The active unit was disbanded on December 31st, 1945, to become once more a Militia Unit and in June, 1947, was redesignated The Toronto Scottish Regiment, and its history at that time had come full circle. The 75th Battalion had begun as an infantry unit and now after 30 years and a variety of designations and roles, The Toronto Scottish Regiment became again an infantry formation. It is interesting to note here that The Toronto Scottish is the only Regiment bearing the City's name and the brooch worn with full dress bears the crest of Metropolitan Toronto.

Ladies and Gentlemen, will you rise, charge your glasses and drink with me a toast to the continued glorious service and existence of The Toronto Scottish Regiment.

COLONEL HILBORN:

The gallant Commanding Officer of the Toronto Scottish Regiment, Lieutenant Colonel J. Donald Learment.

COLONEL LEARMENT:

Mr. Chairman, Your Majesty, Your Honour, honourable gentlemen, My lords, My lady, distinguished guests, gentlemen: May it please Your Majesty. On behalf of the 75th Battalion and its successor, The Toronto Scottish Regiment, I thank you, Mr. Prime Minister, for your kind words in proposing the toast to the Regiment.

When a Commanding Officer speaks for his Regiment it is with pride and affection. When a Regiment is born it is recognized that it must stand or fall on its performance in times of peace or war. If it performs adequately or distinguishes itself it is only doing that which is expected of it by its sovereign and its homeland. Perhaps our greatest concern at present is not the past 50 years but the half century that lies ahead. We have much to be thankful for. The quality of that small coterie of Mississauga Horse that saw the beginning of the 75th Battalion, Canadian Expeditionary Force, with their magnificent record of service, and the emergence of the Toronto Scottish Regiment with its outstanding contribution in World War II provide a 50 year saga of which all members are extremely proud.

We are grateful to have been welcomed into the London Scottish family. The presence of former and serving members of that famous Regiment serve as a reminder to all of the benefits of such an affiliation. Colonel Niekirk, we are proud to have you with us and thank you for our relationship with your Regiment.

We do enjoy one advantage that befalls few Regiments. The Queen Mother belongs to all of us, but to The Toronto Scottish our Colonel-in-Chief has exercised an unusually real and continuing influence. The Queen Mother's activities and interest in her Regiment have on many occasions strengthened our resolve to carry out our allotted tasks. May I assure Your Majesty that it is our intention to continue to nourish the traditions of Old Caledonia and it is with firm resolve and confidence that Your Majesty's Regiment faces the next half century.

To the Empire Club of Canada our thanks for providing this magnificent forum and your considerate and generous attendance.

Mr. Prime Minister, on behalf of the 75th Battalion and The Toronto Scottish Regiment, I wish to thank you for your kind and thoughtful toast. This Regiment is very grateful.

OCTOBER 7, 1965

The Contemporary American State — Federal System

AN ADDRESS BY Governor Otto Kerner
STATE OF ILLINOIS

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Prime Minister, Mr. Consul General, distinguished guests, gentlemen –

May I welcome our members and their guests to this, the first of our series of fall and winter meetings in the 1965/66 season. I hope that you enjoyed the summer – such as it was – and I am happy to say that the programme which is taking shape for this year's activities of the Club gives every evidence of being a most interesting one.

The State of Illinois, whose Chief Executive will speak to us today, with its more than 10,000,000 people engaged in industry of every sort, is the largest exporter of all that family of sovereign states which together make up our powerful and friendly neighbour, the United States of America. In passing, perhaps I should mention that Illinois and Canada share certain historical attributes since both were originally settled by the French, both saw extensive bickering between the French and English and in each case the Indians entered into the spirit of the thing enthusiastically. Of course, in Illinois this warfare has long since ceased and even in our own country we are now at peace with the Indians. I am reliably informed that a recent suggestion they take the country back was rejected as highly amusing but unattractive under present political conditions!

Our speaker was born in Chicago, he obtained his Bachelor of Arts degree at Brown University and later attended Trinity College of Cambridge University. Following his studies of law at the Northwestern University School, he was admitted to the bar in 1934 the same year in which he took another important step by enlisting as a private in the Black Horse Troop of the Illinois National Guard. Later he transferred to the Field Artillery and it was with that arm that he began his active service in March, 1941, serving in both the Mediterranean theatre and later in the Pacific theatre; duty attested by battle decorations won in both areas.

In March, 1946, after returning to the United States, he assumed the task of reorganizing the 33rd Division of the Illinois National Guard and retired with the rank of Major General in 1954.

Resuming his practice of law in the post-war years, he was appointed United States Attorney for the Northern District of Illinois and he continued in that office until elected as a county judge in 1954. Six years later he accepted the nomination for governor and was elected; nominated again in 1964, he was again elected; a particularly impressive performance when one realizes that only once before in the past one hundred years has a Democratic Governor been elected in Illinois for two successive terms–from this you will appreciate the calibre of the man we have with us today.

During the Governor's tour of duty, his administration has developed a mental health programme of outstanding merit, adopted a new criminal code and reorganized the state court system. Not content to conduct extensive reforms in the administration of his own state, he sponsored the first overseas trade mission ever undertaken by a state administration and finally had the privilege of seeing more citizens going to work at higher wages than ever before in the history of Illinois. A 3rd degree mason, active in the Boy Scouts, the Cancer Fund, Red Cross Society and Church circles, as well as being a director of the John Howard Society, he has been honoured by many universities by the award of honorary degrees.

Gentlemen, a man learned in the law, a soldier, a statesman, a humanitarian and the chief executive of a great state—His Excellency, Governor Otto Kerner.

MR. KERNER:

I am greatly pleased to appear before such a distinguished group as the Empire Club of Canada. The invitation to address you has honoured me and for that I thank you. Moreover, I thank you for the opportunity to meet personally members of such a celebrated organization.

If nothing else, I hope your assessment of me will not be any worse than that supplied by a Canadian periodical which once described the Duke of Devonshire as one who "does not overpower you with his brilliance, nor is his intelligence an amazingly bright one, but he has a pleasant manner."

I chose to discuss on this occasion federal-state relations in my country as they appear to me. Domestic political and governmental problems are usually reserved for airing in one's own national family. I do not find it extraordinary to discuss such personal national matters with Canadians because I believe our peoples look upon one another as more than friends. We are brothers; born of the soil of colonial America, of a common heritage, sharing a common faith in Democracy.

For that matter, our friends have the privilege of asking of we of the United States: "How is it at home? How it is with the states, what with the things we know about Washington sending troops into states, financial dilemmas in many states, the startling growth of the national government . . . How is it with the United States if the states are indeed sick? Does not such an illness strike at the soul of your system?"

By coincidence, the day I began preparing my remarks for this occasion, a Chicago newspaper, on the eve of the annual convention of the Illinois Federation of Labor and Congress of Industrial Organization–the voice of the trade union movement–carried an account of action taken by the organization's executive board.

The board, in a 150-page report to the 2,000 delegates forecast that state legislatures may "fold up" within 20 years, and adding the unkindest cut of all, that "labour is not alarmed about it." Charging that the General Assembly of Illinois, as well as those of the other states, contain antagonistic elements which have retarded progress at the state level, the report recited how the labour movement, more and more, carries its appeals to the federal government. Let me quote to you from that report:

> "As construction and highway projects drift faster and faster into federal hands, as welfare and educational matters are moved over into the national field, it is becoming increasingly clear that there will be less and less duties for the Illinois Legislature to perform."

Is this report unique in its criticism of the government of the states? No. Is it entirely without cause? No.

There is no question in my mind that over many years state government in the United States has been looked upon unfavourably by many of our citizens and in many cases and on many occasions, with distrust and disdain.

If someone were to say to me that state houses have not been without sin of omission and commission, I could not but agree. To say that sin is not a stranger to courthouses, city halls and the capitals of nations as well as state houses–that sin is not a stranger to business and society in general as well as the profession of politics–is an answer, but it is not enough.

Why should there even be such a level of government as the state?

I believe the answer is a simple one. It is the historic search for democracy in nations, the need for balance of power, checks and balances.

Our martyred President Kennedy believed in this truth deeply. In a speech to governors, he said: "Because our system is designed to encourage both differences and dissent, because its checks and balances are designed to preserve the rights of the individual and the locality against pre-eminent central authority, you and I, . . . both recognize how dependent we both are, one upon another, for the successful operation of our unique and happy form of Government. Our system and our freedom permit the legislative to be pitted against the executive, the state against the Federal Government, the city against the countryside, party against party, interest against interest, all in competition or in contention one with another. Our task—your task in the State House and my task in the White House—is to weave from all these tangled threads a fabric of law and progress."

If state borders are only historical ones, drawn arbitrarily, then so be it. They are there and they must serve.

Let me say here and now that I believe firmly in the American system of government. I believe firmly in the state as a strong partner in the promotion of the common good and that I belive it to be imperative to the democracy of the United States.

Let me point out one glaring error made by all those who seek to detract from the governments of the states who tell us that state government is waning in importance and is not the creature it once was when the 13 original colonies banded to form the federal union. State government today has greater responsibility than ever before in the history of our country.

States of the Union, individually and in concert, have plunged into fields that would have startled the governors of our early history. The field of economic growth is one dramatic example. When once the economy of the state was believed to be a leaf on the waters of economic forces and decisions of the national government, the governors of today's states have realized the simple truth that not only are we affected by the national economy but we affect it. Illinois is a state of 10½ million people, a great agricultural and industrial entity whose products are sought the world over. Indeed, we are the nation's number one exporter. Would not the nation be the lesser without Illinois? Is it not our duty then, not only for our state, but for our country, to seek to improve the economy of Illinois? Do we not have the tools? I say we do and we have been applying them, as many other states are doing.

This competition among the states, I submit, is healthy and constructive and this ever-growing awareness of the needs of states is healthy and constructive for the nation as well.

We in Illinois and the Midwest, for example, are disenchanted with federal policy controlling the shipment of goods and products beyond the limits of the United States. We believe that the Midwest has faced discrimination in freight rates and that this discrimination has worked to retard the growth of the St. Lawrence Seaway, of our lake ports, and of our economy.

We in the Midwest believe that what we seek is fair and equitable, serves the interest of the states in the region, and of the nation as a whole.

The Congress has not offered relief, but I am confident that someday it will and when it does I am just as confident it will be because, in great measure, of the activities and pressures of the states.

As I stated before, state government is a greater governmental force today than it has ever been in the history of our country. Today, state government is making great progress in such areas as mental health–a field in which I am proud to say Illinois is the leader–education, social welfare programmes and many others. Nor have the governors of the states ignored the fact that many problems that face each state go beyond its borders but are not necessarily federal problems. They are regional problems.

For that reason we have regional groups, such as the Midwestern Governors' Conference, which deal actively with common problems. At our last Midwestern meeting in Michigan, we devised an interstate compact on the mentally disordered offender, offering the facilities of one state to another to care for various types of offenders.

Individually, we have entered into various compacts. Illinois has compacts dealing with the collection of state taxes with the states of Iowa, Kentucky, Missouri and Indiana. We have water pollution and air pollution compacts with our neighbours. We are seeking others.

I am not one of those governors who decry so-called federal encroachment. I believe that the federal government must of necessity deal with problems which the states cannot. I believe that the states and the federal government are partners in progress. I believe that what some view as encroachment is either valid jurisdiction by the federal government or an assumption of responsibility which states, over the years, have failed to meet or to meet adequately.

Therefore, it is my opinion that rather than continually speak of states rights, governors should stress state powers and responsibilities. States must not abrogate responsibility. States must do the people's work because if we do not, someone else will and that someone will be the federal government. For whatever is the case, the people will see to it that their needs are served.

For my part, I am confident that state government is not on the wane, but most certainly it will increase in importance in the years ahead. I say this for a number of reasons.

First of all, I think that the continued growth of our country makes it imperative that there be strong state government for effective administration. For years it has become axiomatic that complex times and great growth make inevitable a stronger central government, even extraordinarily so. However, at this point in our history, the greater the growth and the more complex the problems, so it seems to me, the more difficult and the more perplexing it will be to govern efficiently from Washington.

Secondly, the state themselves have generated great awareness–greater than ever before–about the needs of government at the state level. The National Governors' Conference is becoming increasingly active particularly in one field–the need of the states for a greater share of tax revenues. Many plans and ideas are swirling about and I believe that in the years to come, there will be some action on this point. In this context, states are making great efforts to bring order and equity to their antiquated revenue structures.

Thirdly, politics increasingly is attracting more competent people to its ranks, at all levels. The governors of many of the states of my country, in my humble opinion, are among the ablest public servants who have served people in the history of the Union.

Lastly, two great factors are at play in my country which I believe hold the ultimate key to the strengthening of state government. One is the civil rights movement and the other, the reapportionment of the legislatures.

The United States Supreme Court in an historic opinion set down the principle of "one man-one vote." It had jolted the state houses from coast to coast. There is no question, absolutely none, that much of the movement to centralized authority in Washington came as a result of growing urban areas not being able to secure progressive legislation from rural-dominated legislatures because of inequitable representation.

The civil rights movement and its inevitable result will erase from the American scene the ugly fact that some states discriminate by policy against citizens within their own borders. Because of this fact federal authority has had to be imposed, not only upon those states, but necessarily upon all the states in an attempt to give all citizens their unalienable rights.

Which brings me to a great paradox–that a vocal minority in our country shouts about states rights in demagogic terms, opposing the civil rights movement and seeking to overturn the reapportionment opinion of the United States Supreme Court–two factors which are the veritable keys to strong state government–first class citizenship for all and equitable representation for all, in each and every state.

It will come to pass. I believe it just as surely as I believe, with an abiding faith, in Democracy.

Thomas Jefferson, in his first inaugural address as President of the United States, said that an essential principle of American government calls for "support of the state governments and all their rights as the most competent administrations for our domestic concerns and the surest bulwarks against anti-republican tendencies; the preservation of the general government in its whole constitutional vigour, as the sheet anchor of our peace at home and safety abroad."

Thomas Jefferson was confident in the profound democratic meaning and the important practical application of the state-federal system. I do not wish to see it changed.

The federal government is not a remote bureaucracy. The state government is not an anachronism. Each must be strong and vigorous, interdependent and interacting, if the common good and Democracy are to be best served in the United States.

Thanks of this meeting were expressed by Col. B. J. Legge, Q.C., E.D.

OCTOBER 14, 1965

The New Toronto

AN ADDRESS BY William R. Allen, Q.C.
CHAIRMAN
METROPOLITAN TORONTO COUNCIL

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Minister, Monsignor, Dr. Ross, gentlemen – politics, according to Stevenson, is the only profession for which no preparation is thought necessary. Johnson, Samuel Not Lyndon, equally acidulous, adds his view that politics are nothing more than a means of rising in the world. Our speaker would have needed no such assistance. However, Aristotle, writing three hundred years before Christ, gave his opinion that man is by nature a political animal and as politics is the art of government, the true artists in this field – and we have some in Ontario – deserve our gratitude and esteem for they are rare creatures indeed. Such a man is our speaker today for certainly no one without marked artistic talent could manage to control a team of thirteen horses which appear determined to gallop off in all directions and who from time to time look longingly over the fence at their former fields where the grass, of course, is much greener in retrospect than it ever was in reality.

To pursue this equestrian simile too far would inevitably lead to trouble and I shall now turn to the somewhat more pedestrian business of the background of our speaker.

As is traditional among the residents of Toronto, who are always born somewhere else, our speaker was born in Ottawa; however, he attended school here and is a graduate of St. Michael's College School, the University of Toronto and Osgoode Hall. For a brief period he served as a bank officer, leaving that school of endeavour for the army – however, I am quite sure that this was not because he loved Cæsar less but that he loved Rome more – any suggestion that he preferred a slit trench to a bank is entirely erroneous and probably fostered by a trust company. Our speaker served for five years in Canada, Britain and north-west Europe, reaching the rank of captain.

Returning from the army, he entered Osgoode Hall Law School and was called to the Bar in 1949, being appointed Queen's Counsel in 1960. In 1950 he was first elected Alderman for Ward One of the City of Toronto and in 1965 he was elected Controller of the City of Toronto – the youngest Controller ever elected, he has remained undefeated in civic elections. Passing through a number of important positions, in 1962 he became Chairman of the Metropolitan Toronto Council, a position to which he brings tolerance, tact, humour, grace and a special sort of distinction. Among his many assets is a wife of exceptional charm.

I mentioned earlier that Aristotle described Man as a political animal, someone – probably not Aristotle – also mentioned that it isn't the size of the dog in the fight but the size of the fight in the dog that matters. Certainly our speaker has never backed away from a fight for those things he considers important to the welfare of this city and province. It is my honour and privilege today to introduce William R. Allen, Q.C., Chairman, Metropolitan Toronto Council.

MR. ALLEN:

Topical and now most important in municipal government for this area is the Goldenberg Report. This is not a report drawn from the Superintendent of Bankruptcy Office in Ottawa but rather a review, with recommendations, of prosperous, pragmatic, positive, progressive local government in this metropolis; evidenced by a twelve-year record of accomplishments and achievements not otherwise possible; and receiving such national, continental and international attention that it may truly be said we have been a world leader in this field.

The nineteenth century formula for elected councils recognized the highly dispersed and strongly rural accentuated economy which prevailed in this country and province at that time. Cities, towns, rural villages and farmland townships were the forms of municipal organization. The urbanization of large numbers of people, an identifiable mark of the twentieth century, demands revisions to that which was adequate over one hundred years ago. The metropolis, as a cluster of cities, towns, villages and formerly rural townships, will grind to a halt, unable to produce that which its citizens require unless there is a form of area municipal government to be contrasted with the isolated, solitary, almost self-sufficient municipality of the 1800's.

This exemplified itself in the Metropolitan Toronto area, a cluster of thirteen municipalities which had been fully exposed to the present century concentration of population, in the form of internal competition for available money to be loaned, an inability to co-ordinate planning in any way so that the city proper burst at the seams and the overflow was growing up "like Topsy"; water rationing; septic tanks; public transportation available only in the city with various private lines servicing the twelve other municipalities; traffic stagnation – remember the little bridge over the Humber at the western gateway to Toronto, the Eglinton Avenue of that day which terminated in the east at Victoria Park, the Sunday night jams in Hogg's Hollow?

It was the combination and cumulative effect of all these situations which led to the creation of a metropolitan, or regional, or area municipal government for this metropolis.

To each of those problem situations the Metropolitan Toronto government has provided a visible answer, possibly overlooked until one casts a mind back to 1953. Nonetheless, the experience of the past decade has disclosed procedures and developments which would indicate fertile soil for further improvement in the future. These were the tasks assigned to Dr. Carl Goldenberg–to assess the structure, organization, purposes and objectives of the Metropolitan Corporation and the Metropolitan School Board; and to make such recommendations as may emerge out of this assessment.

The recommendation which seems to have caught most public attention is that which advocates the establishment of a four-city, or borough, structure. In my opinion, whether it be four or any other number of units, the importance of this recommendation is in the fact that it constitutes a solid and emphatic endorsation for the continuation of a metropolitan form of government for this area. Satisfied that much has been accomplished during the past ten years or more under this form of municipal government, Dr. Goldenberg rejects complete amalgamation of the 240 square miles with a population approaching two million people in favour of a continuation of the federated type of municipal government for which we have become so conspicuous.

Amalgamation cannot be dismissed merely because of the successful record of metropolitan government. The Report refers to and relies on many other bases. It must not be forgotten that we are talking about local municipal government, responsive to the wishes of the people. To combine the area responsibilities now discharged by the Metropolitan Council with the local responsibilities still discharged by each of the component Municipal Councils could create a situation that is not conducive to maintaining the standard which has been set during the past twelve years as the result of the division of these responsibilities between the two types of municipal council. Amalgamation of 240 square miles including 25% of the population of Ontario, can only provoke a repeat situation ten years hence when development has moved beyond today's perimeter. The question then becomes what area shall be incorporated within the amalgamated area of today. The principle of amalgamation involves wider and wider extension of boundaries; sooner or later, local government has been removed. Contrasted with this is the effect of a federated council comprised of members of the constituent local councils. This form of municipal structure lends itself admirably to the constitution of truly regional municipal government. A large measure of our success has been the role played by those members of local councils who also serve on the Metropolitan Council. Their dual loyalty has led to a comprehensive knowledge of all that is being undertaken at both levels, at the same time facilitating their decisions on what should be done at the local level consistent with regional development. Finally, if one wishes to reduce this to a matter of cost, a complete merger of all municipal forces within the area would immediately result in higher cost as wages and fringes are unified at the level of the highest cost unit within the area. Additional cost would also be incurred by a drive for all services to be raised to that which prevails in any one of the municipalities, whether it be the number of weekly garbage collections, number of libraries, sidewalks on both sides of the streets, removal of overhead wiring or what have you. Unification can only mean standardization at a higher cost. It is a proven axiom that per unit cost increases directly with the size of government unit. One might query the ability of a single council to make decisions in respect to such diverse situations as the development of the south side of Queen Street in the City of Toronto, the construction of a land disposal site or incinerator in an orchard in the Township of North York, the approval of plans for a shopping plaza in the township of Etobicoke larger than Yorkdale, and the future development of the Metropolitan Toronto Island. While these were being debated, there would be at least another fifty thousand people entering the metropolitan boundaries, requiring housing, servicing and employment opportunities.

Having recommended a continuation of the federated, metropolitan form of government, the Goldenberg Report then moves on to the form it should take. Actually, we have a borough form of government today. There are thirteen constituent local governments within the Municipality of Metropolitan Toronto. The wide variance in population between a number of these, seven with populations of less than 25,000 each, although all having an equal vote, has presented an unjustifiable situation. A continuation of thirteen municipalities could no longer be accompanied by a prolongation of the present system of voting within the council. Recognition of this has led to most current discussions in public centring on the Goldenberg plan or a six-unit division within the metropolitan area.

In this situation I believe it must always be remembered that the city proper plays a role in the metropolitan area which may in some ways defy statistics. In 1953 the city represented 63% of the assessment in this area. Now, that has decreased to 45%. However, without that 45%, or a substantial portion of it, this metropolitan area could not be what it is nor continue as it is. To support that statement I ask you to picture the lineup of motor vehicles from the outlying municipalities into the downtown area each morning, for return each evening. Picture the financial and business institutions which line the main streets of downtown Toronto. Remember that those buildings provide jobs and employment opportunities which are so necessary to many thousands of those who live beyond the city limits. Meditate on your pride in that breathtaking structure which houses the metropolitan and city administrations – a focal point of tourist acclaim; a centre of expression for Torontonianism. Imagine Metropolitan Toronto without the harbour and waterfront of the city. In substance, I say that the role of the core of the area, the city, must be taken into account in any realignment of municipal boundaries within this area. The sight of deterioration is only too prevalent in older metropolitan areas in the country to the south of us. From their experience we must learn that the hub, the centre is vital;

without a heart there is no need to talk about the head or the arms or any other member of the body.

In opposition to the recommendation of the Royal Commission it has been stated that there is perpetuated the city-suburban split. To the best of my recollection, as Chairman, I have yet to be called upon to cast a tie-breaking vote on a straight city, non-city line. Ties I have broken on occasion, but not due to a division of votes by council members on this basis. If anything might be said with validity in opposition to the recommendation, I would direct my thoughts to the fact that an even larger, and more populous unit is being created. You will detect in this viewpoint a theme to which I referred some moments ago in that responsive local government cannot expand indefinitely and infinitely. The points which I state in argument against complete amalgamation apply to a degree to a proposal which would increase the population of the city from 650,000 to 900,000 people. Increased cost, unwieldiness and inability to reach conclusive decisions are the factors which deserve consideration in this regard.

Another phase of the Goldenberg recommendations relate to the definition of area services, the responsibility of the Metropolitan Council, as distinguished from local services, the continuing responsibility of the local councils. In this limited time I would direct a few remarks to the "municipal social services" – welfare, health and housing.

Several years ago the Metropolitan Toronto Act was amended so as to render the Metropolitan Corporation liable for the municipal share of all mandatory welfare costs within the area. This recognized the singular position of the City of Toronto with a tremendous preponderance of welfare assistance cases, not unlike any other urban metropolis on this continent. The transfer of costs for this service from the City Council to that of the Metropolitan Council permitted each and every taxpayer throughout the area to share in what is a regional economic problem. To this extent the taxpayer in the City of Toronto was relieved. However, unlike other metropolitan obligations, administration of welfare services remained with the local unit: the welfare department in each of the municipalities. Briefly, this formula separates administration which is retained on a local basis from the financing function which is on an area basis. This is a practical approach to a type of service which involves individuals. Its application to other fields within this ambit commands serious attention if only due to its acceptable success in the field of welfare.

Public housing has attracted considerable attention of recent date. Just another instance where a problem has arisen within the older sections of the city proper not unlike any other city at the hub of a metropolitan development. The solution is not to be found within the boundaries of the city alone. The situation will be solvable only by an area-wide involvement. While the creation and role now being undertaken by the Ontario Housing Corporation is not what the Metropolitan Council approved in 1962 and 1963, we have given it 100% support so that its efforts could be spread over all parts of the metropolis. I feel that a concentration of all available public housing stock, other than accommodation for senior citizens and the aged, would enhance the opportunity for meeting the long term problem as well as the emergency situations which arise from night to night.

During the past six months clear lines of responsibility have been established. The provincial agency, Ontario Housing Corporation, has accepted all responsibility for meeting the public housing need in Metropolitan Toronto; for obtaining the necessary capital money which requires no contribution by municipal governments; in short, they say, tell us what you need and we will provide it.

Centralization has been long wanted. Lack of it explains our failure in this field. It is with these impressions that I feel all resources should be centralized, should be concentrated, in the hands of the provincial agency if only to remove the final vestige of divided authority which is continually leading to indecision, backbiting, useless controversy – everything except housing units. The Metropolitan Council has agreed that it will pay the municipal share of annual operating losses, thereby spreading the cost over the thirteen municipalities. Again this decision would seem to make it most difficult to justify the continued financial involvement of any of the thirteen constituent municipalities as individual units. The acceptance by the senior levels of government of the capital financing of public housing and the lion's share of annual operating losses is a most encouraging step towards full responsibility for those services which should not be any charge against the real estate taxpayer.

Of course, the time allotted is all too short to deal properly with the entire subject. I have attempted to deal with the salient points. These are the points from which a solution and formula will be logically developed to meet those fields in which we have been found wanting in the past.

Having listened to discussions on this topic for more than fifteen years I am satisfied that the worst error which can be made by anyone is the thought of being dogmatic. Flexibility and susceptibility to change are mandatory. Emotionalism will accomplish nothing but possibly lead to short-sightedness and error. Predominant in our thoughts should be the realization that this is our community. We all have a share in the pride for its accomplishments. We all have a responsibility to contribute our best efforts and thoughts to ensure those accomplishments. No group, more than you, should be aware and realize that the future of Metropolitan Toronto as the English-speaking metropolis of Canada will be just as great as you care to make it. Your feelings can be translated no better than by effort. Participation in public issues is always welcomed by one in public office who deplores apathy. If I have aroused thoughts in your minds today this will have been a success for me as we try to lead the people of Metropolitan Toronto along the road where decisions will be made to give you the finest of municipal services with a type of government which offers an example to all other levels.

Thanks of the meeting were expressed by Lt. Col. R. H. Hilborn, M.B.E.

OCTOBER 21, 1965

Steel

AN ADDRESS BY

Vincent William Thomas Scully

C.M.G., F.C.A.
PRESIDENT
THE STEEL COMPANY OF CANADA

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

According to an old Hebrew legend, when the temple in Jerusalem was completed, Solomon invited to a feast all the artificers who had been engaged in its construction. As the throne was unveiled, the guests were outraged to see that the seat of honour on the king's right, as yet unawarded, had been usurped by the ironworker. Whereupon the people in one voice cried out against him and the guards rushed forward to cut him down.

The king silenced their protests and turning to the stonecutter, said:

"Who made the tools with which you carve?"

"The ironworker," was the reply.

To the artificers of gold and silver, Solomon said: "Who made your instruments?"

"The ironworker," they answered.

To the carpenter, Solomon said, "Who forged the tools with which you hewed the cedars of Lebanon?"

"The ironworker" was again the answer.

Then Solomon turned to the ironworker: "Thou art all men's father in art. Go, wash the sweat of the forge from thy brow and sit at my right hand."

This afternoon sitting at my right hand is a modern day ironworker. Born in Ballymahon, Ireland, in 1900, Mr. Scully has since been an Irish policeman, a chartered accountant and a management consultant. During the war he occupied many important positions in Government including President of the Crown corporation, Victory Aircraft, and concluded his tour in Ottawa as Deputy Minister of National Revenue, Taxation Division.

For these many public services, Mr. Scully was made a Companion of the Most Distinguished Order of St. Michael and St. George in 1946 and, in 1947, the President of the United States awarded him the United States Medal of Freedom with Bronze Palm.

In 1951, with this varied experience, he joined the leader of the steel industry in Canada, The Steel Company of Canada Limited, as Controller. He successively became Vice-President, General Manager, Director, and in April 1957 became President of Stelco.

Gold is for the mistress – silver for the maid –
Copper for the craftsman, cunning at his trade,
"Good!" said the Baron, sitting in his hall,
"But Steel – Cold Steel – is Master of them All."

It is therefore my pleasure to introduce to you the Master of Canadian Masters, Vincent William Thomas Scully, C.M.G., F.C.P., President of The Steel Company of Canada.

MR. SCULLY:

It is a privilege to be invited to speak to the members of the Empire Club. Even though there is no longer an Empire, the sun continues to shine on all those patches of this earth we used to recognize by that colour that nowadays connotes something quite different from what it stood for when your Club was founded some 62 years ago. Coming from a country which was at war with the Empire for seven or eight hundred years, I'm not sure how I should regard myself – as an immigrant, a New Canadian, or merely an exile.

At least I come before you as a representative of an industry that has played a significant role in the development of Canada, an industry that has grown and prospered under what we still call the "free enterprise system", even though it is much less free than many of us feel it ought to be. As you must know, steel, like a great many of our Canadian industries and except for some small units, was largely the creation of foreign capital – i.e., capital from outside Canada. By one process or another this situation gradually changed, and today a very substantial part of the industry is owned in Canada – in the case of Stelco, over 90%. This, I suppose, is in fact part of the process that dissolved the Empire, created the Commonwealth, and set the stage for whatever the future may have in store for us. While I should like to speculate on the prospects, it would be inappropriate for me to do so at this time.

There are four major integrated steel companies in Canada today having about 90% of present rated capacity of the industry. The balance consists of some eight companies which are not integrated in the sense that they do not process from ore to steel. Growth has been rapid since the war, exceeded among major steel nations only by Japan and possibly Russia. Indeed, I think it is fair to say that our Canadian steel companies have performed remarkably well in plant expansion and modernization, raw material development and, most important of all, the finding and training of Canadians to man and manage these vast and complex enterprises.

Steel is, of course, the most precious of metals. Without it the world would have seen few of the great advances in science and technology that have characterized the 100 years that have elapsed since steelmaking on a large scale began. Even those materials which sometimes challenge us could not be produced economically if steel were not available for the construction of the plants, equipment, transportation facilities, etc., that they must have.

Prior to the 1860's, steel was made only in small quantities. It was an expensive metal, highly prized for centuries, neither made, sold nor used as it is today. The invention in the early 1860's of the Bessemer process in England and, shortly after, the development of the open hearth furnace, quickly brought about a revolution in the use of steel. These developments coincided more or less with the beginnings of the railways, steamships, and large-scale construction. Indeed, it is surely a matter of fact that, until cheap steel became available, none of these great expansionist programmes was possible. It was, no doubt, a happy coincidence that in that historic decade Canadian Confederation became a reality.

Today the world's annual capacity for steelmaking is about 525 million tons, and it is the ambition – not just of the smallest countries, but of quite small subdivisions of many countries – to have steelmaking capacity of their own; an ambition, I may say, not unknown in Canada.

During the past twenty-five years, initially spurred by the demands of war, steel technology has made extraordinary advances, and our Canadian companies have not lagged behind in creating or adopting better methods, new products, and up-to-date equipment. Since 1946 we have raised steelmaking capacity from 2.3 million tons to 9.8 million tons, an increase of over 400%, and even now the major Canadian steel companies are embarked on still another series of expansion programmes which will lift steelmaking capacity, broaden and improve product lines, and bring about (we devoutly hope) higher efficiencies and lower production costs.

Generally speaking, we have been steadily approaching a position of overall self-sufficiency in iron and steel. In fact, in three of the last four years, our exports of both metals exceeded our imports, and in 1963 our exports of steel alone exceeded our imports, quite a change since the end of the war when we had capacity to provide only about 65% of our consumption. Of still greater importance is the fact that our mill prices for most basic mill products are at or below those of the United States industry which includes a number of companies, each of which can produce more steel than the total production of all the Canadian companies put together.

That this country has derived enormous benefits from the courage and foresight of the steel industry is beyond question. Wherever our people go in Europe, Asia, America, Australia, the accomplishments of Canadian steelmakers are recognized and admired. Our plants are visited by steelmen from all over the world who come to examine our facilities, our methods and our organization. We are glad to have these visitors from beyond our borders and we enjoy reciprocal treatment when we seek help or information from them. This is in pleasant contrast to the regard some of our Canadian critics have for us. Furthermore, we usually have in our training programmes men from some of the so-called developing countries who seek practical experience to fit them to operate the mills being built in their own countries.

The steel industry, too, has been greatly helped by being able to attract skills from Europe and the U.S.A. Last May I was invited to speak at a meeting of the American Iron and Steel Institute in New York. Here are two excerpts from my remarks: –

"In steel, we in the Canadian industry are much beholden to you for many of our modest accomplishments; this we freely concede. Indeed, it is doubtful if our companies could ever have progressed as they have were it not for the help, guidance and people – especially people – we got from here. Clergue, Davis, Hilton, Hobson, Holbrook, Sherman, Wilcox, are a few of the names of great significance in Canada's steel industry – a distinguished few whose intelligent direction of our companies would have been outstanding anywhere."

"The remarkable thing about all this is that no U.S. steel company acquired ownership or control in the Canadian industry. This is remarkable because steel is probably the only major industry in Canada in which this has not happened. It may be, of course, that you had little faith in our prospects or that you were so preoccupied with your own affairs that you had no time for the puny babies being organized and developed by men you inspired and trained. We are grateful that this was so because our industry is not now one of these being subjected to the pressures of the somewhat hysterical advocates of getting ownership of our major industries out of American hands and into the hands of Canadians."

Our progress was also facilitated over the years by the generally intelligent attitudes of our governments to business. While it would be improper for me to say anything that might be construed as political at this particular time, it is only fair to say that few, if any, countries have provided a more favourable climate for industry than has ours. While it is true that in some countries certain industries may get better treatment in one way or another, I know of none where, in the overall, industry is better off than it is here in Canada.

This does not mean, of course, that we in steel are always happy and content in our relations with our many governments – far from it. Indeed, one wonders if some of the policies designed to attract popular support have been conceived by those who are essentially opposed to the freedoms they ostensibly advocate.

What I might tell you specifically of what steel has accomplished has already been said many times and I don't propose to enlarge on it now. To get some appreciation of what steel means to you – every one of you – it is only necessary to look about you; in your home – heat, refrigeration, food preparation, beer and soft drinks in disposable cans, even your wife's bobby pins; at your job – at your cottage – at your golf course; in fact, wherever you may be you literally live, work and play because we have found ways to make steel serve your every need. Within sight of this building itself are some of the finest examples of what I mean – the subway, the city hall, the new complex reaching for the sky on King Street, and – all about this great metropolitan area –

steel, visible and invisible, making possible the simplest as well as the most spectacular accomplishments of a dynamic people.

Back in 1955 the Gordon Commission, in its examination of Canada's economic prospects, reported that by 1980 steelmaking capacity would have grown to 16 million tons, with output at about 14 million tons. In the ten years that have gone by since the Report was published, the *rate* of growth has exceeded the forecast rate. This was accomplished by the entry of new producers, but largely in the existing companies by the addition of new iron–and steelmaking furnaces and revolutionary changes in raw material beneficiation. From what we now can foresee, taking into account the frailty of human vision, our industry's growth should continue at a rate certainly not appreciably less than that attained since the Gordon forecast was published a decade ago.

In our business capital investment is very high, especially in a period when technological discoveries have been almost commonplace. Modern blast furnaces, oxygen vessels, rolling mills, ore beneficiating plants, and the structures to house them cost enormous sums of money. You will have seen in recent months that one steel company in the U.S.A. plans to spend $1,800,000,000 in the next three years to expand and improve its plants. Our spending in Canada must be, relatively, on this scale if we are to maintain our position in the domestic market, and at the same time hold on to the modest gains we have made in the foreign markets. Canada has not had a monopoly in steel plant expansion and modernization. Indeed, I doubt if any other industry has become more competitive. Despite this we have been able to generate a healthy export business and at the same time cope with foreign competition at home.

As most of you should appreciate, the money to finance capital expenditures can only be attracted to those enterprises which have demonstrated an ability to earn a satisfactory return on investment, whose prospects are good and whose managements are alert, competent and courageous. That the steel industry has met these tests goes without saying.

Some of the important assumptions we have made in arriving at our estimates of future growth and capital needs are that we shall be allowed to operate our businesses under a free enterprise system, that government attitudes and policies will place the encouragement of thrift and individual effort and initiative highest among their objectives, and that the trend towards better employer-employee relations will continue.

Industry in Canada has established itself as probably the most mature and responsible element in the economy – imaginative, progressive, patriotic, philanthropic, and in every sense keenly aware of its obligations to its owners, workers, customers and the nation. In the forefront is steel, playing a leading role in the advancement of Canada's economic interests and constantly alert to opportunities to enlarge its usefulness. We do not object to legitimate criticism, even when we don't like it, but we feel we have every right to resent and object to the sort of stuff that emanates from that element in our society that would destroy private initiative and reduce all of us to that point where everyone lives off everyone else – to the marvellous final security of being on the bottom, or where every tree has been pruned back to shrub level.

I believe that our society has been suffering from a surfeit of headlines, an insidious intrusion into our privacy, an unceasing war of nerves to persuade us that if we don't listen or watch or buy or whatever it is, we shall surely perish – or at least smell! Sooner or later I hope we shall emerge from this era in which the windbag seems to have so much influence. I sincerely hope so, and that in the meantime we shall not be legislated into a state of subjection, made to conform to what some tin gods believe would be good for us.

Canadians, owners of this vast country, have accomplished great feats – in peace and in war – and we should reject with contempt the views of those among us who are so fond of belittling what has been done, of fastening on the slightest deviation to condemn the whole, of pointing with pride to what is being done elsewhere.

Recently I had an opportunity to hear a progress report on the work of the group which is organizing and really creating Expo '67 – Canada's first world fair. Like many of you, I had some reservations about this project even when our Company was considering joining with three other steel companies to take part as an exhibitor. I was amazed at what has been achieved already and proud too that a group of Canadians without any experience whatever in such matters is well on its way to presenting what will certainly be one of the greatest, if not the greatest, world fairs ever conceived.

Because of the emphasis that has been laid on the cultural and aesthetic facets of the Exhibition, the business community could quite readily overlook or lose sight of its commercial implications. Actually, Expo '67 represents one of the greatest commercial opportunities that has ever been presented to the Canadian business community, and, as in the case of all his opportunities, the onus is on the businessman to make use of it. There can be no longer any doubt whatever as to the success of this venture.

We shall have in Canada, not just in Montreal, an invasion of people from all over the world filled with curiosity and eager to discover what we Canadians are like and how we have gone about becoming one of the great trading nations of the world. Centred at Expo '67 will be facilities to bring mutual interests together, to promote cordial relations, and to ensure a climate in which businessman can meet businessman to the advantage of both. There are many ways in which even the smallest business can have a part in this unique project, and active participation should be considered a high priority in all business planning for our country's centennial year.

A hundred years, by most standards of measurement, is not a very long period of time. That our beginnings go back much farther undoubtedly influenced the coming into being of Canada as a nation, but even more than that has been the constant flow of people from many nations who have come here to find what was denied to them in their native lands – principally, I believe, opportunity.

The diverse elements which compose our society have all contributed generously to our maturing, the last-come as well as the first. That we have secured our identity, living as we do in the shadow of our very great neighbour, must be due principally to our intense sense of independence, that sense that makes us willing partners in all worthwhile enterprises but poor subjects for impressment.

In our material growing, we have need to keep constantly before us some vision of what we believe to be our destiny, a clear concept of the kind of nation we want to build for ourselves and for the generations of Canadians who will follow us. The good fortune that has blessed our efforts in the past may not always favour us – especially if we allow ourselves to drift into a regional competitiveness, disregarding the great economic strength, provincial as well as national, that unity has given us.

Our people, our natural resources, our rapidly expanding educational facilities, and by no means least, the security we enjoy (whether we like it or not) by sharing this North American continent with a friendly, powerful and generous neighbour – these are assets beyond price. So long as we preserve and foster them, Canada's prospects will be limitless.

But they will only be realized by free men and women whose faith is strong enough to sustain them even when the odds against success are great. In steel, we have such faith, and it shall be our high purpose to continue to play a significant role in the fulfilment of Canada's aspirations.

Thanks of the meeting were expressed by Mr. Charles C. Hoffman.

NOVEMBER 4,
1965

India and Pakistan

AN ADDRESS BY **Escott Reid**
PRINCIPAL OF GLENDON COLLEGE
YORK UNIVERSITY

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Honourable and Reverend Sirs, Honoured guests and gentlemen: –

When the great Lord Curzon was Viceroy of India, it was his view that pomp and circumstance had a very definite importance and when touring the provinces as he did from time to time, it was understood that whenever the occasion demanded, a band would be present to play "God Save the Queen" as he stepped from his car. In one remote area the only band available was an extremely inexperienced one at the Anglican mission and when, due to a change in schedule, it was announced that the viceroy would be stopping in the community, there was great consternation for the local band could not play "God Save the Queen". After lengthy discussion, a decision was made, however, and a suitable selection from the very limited repertoire – it came to pass that when the great man alighted from the train, the band swung into "Holy, Holy, Holy, Lord God Almighty". Curzon's reaction is not recorded but it could be that he felt the selection quite appropriate.

It is unlikely that our present speaker during his tour as High Commissioner encountered similar problems since times have changed a bit.

Mr. Reid was born in Campbellford, Ontario, graduated from Trinity College, University of Toronto, and attended Oxford University as a Rhodes Scholar. He was later a Rockefeller Fellow in the Social Sciences and from 1932 to 1938 was National Secretary to the Canadian Institute of International Affairs, in 1937 assuming his duties as Acting Professor of Government at Dalhousie University. He joined the Canadian Foreign Service in January, 1939, was Canadian High Commissioner to India from 1952 to '57 and Canadian Ambassador to Germany from 1958 to '62. He attended the first three sessions of the General Assembly of the United Nations. From 1962 to 1965 Mr. Reid was Director of the South-Asia and Middle East Department of the World Bank in Washington. He is now Principal of Glendon College at York University, Toronto.

In view of my own vocation, I hesitate to comment on the direction in which our speaker was moving when he left the field of diplomacy for the field of banking. It may have been a question of missionary zeal and desire to do what he could to improve the standards in what has been described as a damnable profession. However, his latest appointment quite obviously represents a return to respectability, although even the academic life is not without its perils and I do hope that he will not emulate Socrates in whose last cocktail the olive had been replaced by a dash of hemlock.

Gentlemen—a man of quite exceptional talent whose career in three separate fields has been one of uniform success. A diplomat, a banker and now—and perhaps most important of all—the Principal of Glendon College at York University, Mr. Escott Reid.

MR. REID:

I owe an immeasurable debt of gratitude to the government and people of Canada for having had the privilege of serving as their representative in India for four and a half years. These were among the happiest years in my life. To the World Bank I owe the privilege of having directed the Bank's operations in Pakistan and India for three years and of having been able to make long visits to both countries on the business of the Bank.

But here I have a confession to make. My affection for the land and the peoples of India and Pakistan is such that I cannot pretend, and I will not pretend, to discuss the problems and prospects of Pakistan and India as if these countries were abstractions or pawns or counters in a game.

Because of my four and a half years in India, India is most certainly no abstraction to me. When I think of India I think of senior civil servants who have been overworking for 25 years to build their country; ambitious forceful creative businessmen; poverty-stricken, colourful, hard-working, gay Rajasthan peasants; Calcutta slum dwellers; the philosopher-President of India; the scholarly Muslim Vice-President; the Prime Minister on whose slim shoulders rests an almost intolerable burden of responsibility; a saintly Hindu agricultural scientist who passionately believes in the justice of India's case in Kashmir; my memories of one of the greatest men of this age, Nehru; the beauties of mountains and plains, of ancient monuments and holy shrines; the hope that refreshes the heart at the sight of a peasant who has doubled his food production by using improved methods and improved seeds.

I don't know Pakistan as well as I know India. It was not, indeed, until I joined the World Bank that I got to know much at first hand about Pakistan. In the three years I was with the Bank my wife and I travelled the length and breadth of West Pakistan and East Pakistan. We visited projects the World Bank had financed. We visited the sites of projects which the Pakistanis hoped the Bank would finance. In Pakistan and in Washington I talked with Pakistani politicians, officials, diplomats, businessmen, about Pakistan's problems, its fears and its hopes, and I came more and more under the spell of the land of Pakistan and I came more and more to admire and to like the people of Pakistan.

My affection is now not to India alone but to the whole sub-continent composed of India and Pakistan. It is that sub-continent of 600 million people which I dare to call my second home.

Before the fighting between India and Pakistan broke out two months ago, there was no certainty that India and Pakistan would succeed in their struggles against poverty, disease and ignorance. There was at best an even chance that they would succeed. They had each made remarkable progress since independence. In the fifties India had done better than Pakistan. In the sixties Pakistan had done better than India. But in neither country had the progress been rapid enough. Both countries faced the threat of mounting populations. The population of India was increasing by a million people every month. The rate of increase was 2½% a year. The population of Pakistan was increasing at a rate of over 2½% a year. Both countries had accumulated a heavy burden of foreign debt. Both needed much more foreign aid and much more of the aid on easy terms. Both needed to take immediately politically difficult decisions in order to mobilize more of their own domestic resources for economic development and to use all their resources, domestic and foreign, more efficiently.

Before the fighting broke out there was a good chance that the friends of India and Pakistan would give more economic aid to India and Pakistan, and that they would give more of this economic aid on easier terms, provided they were satisfied, as the result of independent, expert, confidential enquiries by the World Bank, that India and Pakistan were moving at a reasonable pace to improve their economic policies, planning and performance. It looked as though the World Bank, as a result of its enquiries and of its negotiations with the two governments, might be able to give this kind of assurance to the principal aid-givers.

Then in September came the fighting over Kashmir. Now India and Pakistan and their friends throughout the world are haunted by insistent questions.

If the chances of India and Pakistan succeeding in their efforts for economic development were even before the fighting broke out, what chance has either country of succeeding if it continues to divert scarce resources of foreign exchange, of men and materials and – most important of all – brains to fighting and to armaments; if it lives at best in a state of tension with its neighbour, at worst in a state of smouldering war or actual war; if as a result the pressure from China becomes greater; if internal strains and stresses within each country strengthen the pulls of regionalism and factionalism, and stir up the latent antipathies between Hindus and Muslims within each country?

Each country has a large religious minority. Ten million East Pakistanis are Hindus. Fifty million Indians are Muslims. When India was divided in 1947 between predominantly Hindu India and predominantly Muslim Pakistan there were mass riots in both countries between Hindus and Muslims. There were mass murders, mass migrations. During the recent crisis there have not been riots between Hindus and Muslims in either country. This is to the great credit of the peoples and governments of India and Pakistan. But there is the ever-present danger that, if tension continues between India and Pakistan, some incident might lead to riots, murders and migrations on a scale much greater than in 1947.

The fighting between India and Pakistan raises, as I have said, insistent questions about whether the Indian and Pakistan programmes for economic development have any substantial hope of success as long as the deep and difficult issues between the two countries remain unresolved. These questions lead inevitably to troubled questioning in the countries which have been giving economic aid to India and Pakistan. Will not, it is asked, a continuation of economic aid merely make it easier for India and Pakistan to divert an increasing proportion of their resources from economic development to fighting and armies and armaments? If outside economic aid was reduced or eliminated, would not both countries have to curtail drastically their expenditures on fighting and on preparations for fighting in order that their economic programmes should not grind to a catastrophic stop?

I can hear the very tone of voice which Nehru would have used in commenting on questions like these. I can hear him saying: "This is an extreme simplification of a highly complicated problem."

It is an extreme simplification and the problem is highly complicated. One reason why the problem is highly complicated is that it raises the whole difficult question of how outsiders can help to strengthen the hands of sensible people in another country. The danger always is that the outsider will be accused of attempting to coerce a sovereign government and people, and this may strengthen the hands not of the sensible people in the country but of the extremists.

All I want to say at the moment is that recent events in the Indian sub-continent have clearly made it less likely that India and Pakistan will get more economic aid from the outside world and have made it more likely that they will get less economic aid just when they need much more.

This is serious enough. What makes the situation even more serious is that the weakening of support for generous economic aid to India and Pakistan is resulting in a weakening of support for generous economic aid to the whole of the economically underdeveloped poor two thirds of the world.

The tragic state of relations between India and Pakistan presents the world with one of its greatest crises since the war. A continuance of the smouldering war between India and Pakistan constitutes a clear and present danger to the peace and security and welfare of the 600 million men, women and children who live in the Indian sub-continent. It endangers the peace, security and welfare of the world.

When I left India in 1957 I was worried by what seemed to me to be Nehru's failure to realize sufficiently that "his most important task in international policy was to get a settlement with Pakistan on all the deep and difficult issues which divide the two countries, and, that to get this settlement, he should be prepared to use all his powers of leadership to persuade India to accept the necessarily unpalatable compromises."[1]

I emphasize the words, "the deep and difficult issues which divide the two countries." The issues which divide India and Pakistan are not simple issues capable of easy solutions. They are extremely difficult issues, issues which are rooted deep in the long history of the Indian sub-continent. Hinduism is separated from Islam by a wide gulf. There are proud memories of imperial Moghul grandeur. There is the resentment on the Indian side that India had to be partitioned 20 years ago on the basis of religion. There is the suspicion on the other side that India has never really accepted the existence of Pakistan as a separate nation. India has been governed by men who made the revolution against the British. These men have tended to look down on the former army officers and civil servants who have been governing Pakistan.

My Pakistani and Indian friends know that my assessment in 1957 after four and a half years as Canadian High Commissioner to India was that: "Indian foreign policy since independence must be judged to be a failure since India has failed to achieve the most important goal of any realistic Indian foreign policy, the establishment of good relations with Pakistan . . . The responsibility for failure must, of course, be shared by Pakistan, but it is reasonable to place the greater share of the responsibility for failure on India . . . The stumbling block to the achievement of good relations between India and Pakistan is Kashmir. In order to hold Kashmir, India has sacrificed an immensely greater national interest."[2]

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[1] "Nehru: an assessment in 1957," by Escott Reid. Letter written in May, 1957. *International Journal*, Quarterly of the Canadian Institute of International Affairs: Summer, 1964.

[2] "Nehru's India," by Escott Reid. Letter written in May, 1957. *India Quarterly*. April-June, 1965. Indian Council of World Affairs, New Delhi.

I did not then suggest, and I do not now suggest, that the way to settle the Kashmir problem is for India to accept all the demands of Pakistan, such as the demand for a plebiscite in Kashmir. What I do believe is what every sensible responsible government leader in India and Pakistan, I am confident, believes in his heart of hearts: India and Pakistan must reach quickly an honourable, equitable and lasting settlement of the Kashmir problem.

In one way the problem is easier than it was eight years ago when the great difficulties in the way of the two countries reaching a settlement were exacerbated by the very different approaches to the problem of Indo-Pakistan relations of the two greatest powers in the world–the United States and the Soviet Union. During the last two months the differences between the approaches of the United States and the Soviet Union to the problem have been much less than they were eight years ago. The approaches have certainly not been identical. There have been disquieting differences. Nevertheless it has been most encouraging that both countries have indicated during the present crisis that they consider that their national interests lie not in supporting one South Asian country against the other but in the stability of the whole area of South Asia. Each has indicated that it realizes that, if the present situation continues, the only country to benefit will be China.

The result of this has been that the United States and the Soviet Union have so far not followed opposing courses in the Security Council of the United Nations and in their approaches to the Indian and Pakistan governments. This, plus the fact that the Chinese seat on the Security Council is not held by a representative of Peking, has resulted in the Security Council being able to adopt resolutions supported by all the permanent members.

The absence of Peking from the Security Council is on the whole most regrettable but it has had the advantage in this crisis of making great power unanimity in the Security Council possible.

If the permanent members of the Security Council could remain in agreement, the Security Council would be legally and constitutionally capable of doing what the founders of the United Nations intended it should do on an issue such as Kashmir which endangers the peace of the world. The founders of the U.N. intended that the Security Council, while it could not keep the peace between its permanent members, would be able to keep the peace between any other nations which endangered the peace of the world as long as so these nations were not being protected by the veto of a permanent member.

The Security Council has the legal power to act on the Kashmir issue if its permanent members remain united, for so long as they remain united their views would undoubtedly be supported by the necessary number of non-permanent members of the Council.

The Security Council has, under the Charter of the United Nations, an obligation to act on issues such as Kashmir which endanger the peace of the world. How the Security Council should carry out that obligation is, of course, another matter. It could take action formally or informally; act as a body or through some of its members; act through the Secretary General or through a special emissary.

When I left the World Bank three months ago I did an essay on the future of the World Bank in which I said: "An underdeveloped country cannot be saved by outsiders. It must save itself. To save itself it must be proud. It must retain its self-respect. In order that its government may govern effectively, its government must retain the respect of the governed." "That," I wrote, "is why the giving of advice to underdeveloped countries on their economic development is such a difficult art." I went on to say that when the World Bank intervenes with advice, the "intervention should be in the least abrasive, the least corrosive way possible."[1]

[1] "The Future of the World Bank," International

The giving of advice by the Security Council to India and Pakistan on how to solve the Kashmir problem is an even more difficult art than the giving of advice by the World Bank on economic development. It is therefore of paramount importance that the Security Council's intervention in the Kashmir issue should be in the least abrasive, the least corrosive way possible, the way most likely to ease the task of the leaders of India and Pakistan.

The prospects of peace, stability and prosperity in India and Pakistan depend on the leaders and peoples of India and Pakistan displaying the high qualities demanded by the present tragic situation of the two countries. If the leaders and peoples fail to display those qualities, India and Pakistan may become the sick men of Asia. If the leaders and peoples can reach an honourable, lasting and equitable settlement, they will set an example to the whole world of how neighbours can deal with deep and difficult issues which divide them. India and Pakistan can save themselves by their exertions. They can save the world by their example.

The prospects of peace, stability and prosperity in India and Pakistan depend also on the Soviet Union and the United States not working at cross purposes in South Asia. If the Soviet Union and the United States could only work together quietly and effectively in South Asia, they would be making substantial progress towards the ultimate goal of the creation of a sense of community between them.

The prospects of peace, security and prosperity in India and Pakistan depend on the Soviet world and the western world increasing greatly the volume of economic aid which they give to India and Pakistan. I am confident that they would give more aid if they have good reason to believe that India and Pakistan are moving with determination to resolve their differences, and to improve their economic policies, programmes and performances.

The prospects of peace, security and prosperity in India and Pakistan depend on the gradual, patient working-out over the next 20 years of a *modus vivendi* between China and its neighbours, particularly India, Japan and the Soviet Union, and between China and the western world, particularly the United States.

Thus, South Asia can become the major front on which the world can advance towards the three principal objectives of world policy during the next 20 years: the building up of a sense of community between the Soviet world and the western world; the working out of a *modus vivendi* with China; the raising of the standards of living of the hungry two-thirds of the world.

South Asia thus presents today not only a threat to the peace of the whole world but a challenge and an opportunity to the whole world.

The great Indian poet and philosopher, Rabindranath Tagore, wrote in 1933, "Man has to win his manhood every day of his life, and the history of every nation is the history of the campaigns it has undertaken to win victory over itself. Man comes into this world to penetrate the impenetrable, and attain the unattainable, and he grows strong and prosperous by removing obstacles from his path . . . Each nation has a special problem given to it by God, and it finds its salvation by solving it rightly."[1]

If Tagore were alive today this is what he would say to India and Pakistan.

Thanks of the meeting were expressed by Lt. Col. Donald H. Jupp, O.B.E.

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[1] "Rammuhan Roy, a Pilgrim of India" by Rabindranath Tagore. Pamphlet, 1933.

NOVEMBER 11, 1965

The Commonwealth Today As Seen By A Former Colonial Secretary

AN ADDRESS BY Lord Boyd
PRESIDENT
THE ROYAL COMMONWEALTH SOCIETY

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

My Lord Bishop, General Ritchie, honoured sirs, distinguished guests, gentlemen–

As you are aware, when something of great importance occurs on the national scene, it is appropriate that the President of the Empire Club of Canada comment. The recent general election certainly deserves such comment and after a tremendous amount of research and intensive study, I feel the following bit of verse covers the situation adequately–

"The gallant Duke of York, he had ten thousand men.
He marched them up the hill and he marched them down again.
And when they were up they were up.
And when they were down they were down.

But when they were only half way up they were neither
up nor down."

In 1759, two important events took place – General Wolfe won what was then described as a decisive victory on the Plains of Abraham and the Guinness family acquired a small brewery in Ireland. Subsequent events would seem to indicate that beer is indeed best for the Guinness interests have gone from strength to strength over the subsequent two hundred years while it is now a question of opinion as to who actually won the Battle of Quebec – at that particular moment, however, there seems no doubt that Wolfe's successor did command a working majority.

Our speaker today has been interested in both of the fields under discussion – as the former Commonwealth Secretary, he cared for the fortunes of Britain's possessions for a lengthy period and as the sole managing director of Arthur Guinness, Son & Co. Ltd., he has had a good deal to do with the fortunes of that organization in recent years.

Lord Boyd has been a Conservative ever since his early days at Oxford. He was first elected to Parliament in 1931 and continued successful in every election until raised to the peerage in September, 1960. His parliamentary duties were interrupted in 1940 when he requested leave to go on active service and for some time enjoyed the spacious accommodation of a motor torpedo boat in the Dover Patrol. He was brought back into the Government in 1943 and continued in a series of posts until 1952 when he was appointed Minister of State for Colonial Affairs. In 1954 he became Colonial Secretary and for the subsequent five years held this very important position. During his tour of duty two new independent states came into being – Ghana and the Federation of Malaya, while steps were taken in the same direction in Nigeria, Uganda, Tanganyika, Kenya, the British Honduras and British Guiana.

Turning to the business career of our distinguished guest, Lord Boyd has been on the Board of Arthur Guinness, Son & Co. Ltd. and various subsidiaries for many years, assuming the Post of sole managing director of the parent company in January, 1961. The Guinness family have been investing in Canada since 1930 and one of their early enterprises was in Vancouver where they financed the construction of the First Narrows Bridge, linking Stanley Park to the north shore at a cost of $5,000,000 and opening the way to the large developments in West Vancouver which are still known as the British properties; about the same time they bought the Marine Building in Vancouver. In recent years they have established shopping centres in the West and interested themselves in oil, building supplies and other Canadian industries. They are just about to complete Elveden Centre in Calgary – an $18,000,000 office complex.

Guinness now have an arrangement with Labatt Breweries of Canada Limited and beginning this month that well-known Canadian company will brew and sell the famous Guinness brands.

Our speaker was created a Companion of Honour in 1960 and later that year became a Viscount with the title of Viscount Boyd of Merton.

Lord Boyd, with more than thirty years of parliamentary experience, has an intimate knowledge of democracy. His deep belief in the democratic system, as he has come to know it, his wide experience in what might be termed the export of democracy and, finally, his great sympathy with the emerging members of the Commonwealth as they strive for self-government, all qualify him to speak on "The Commonwealth Today as Seen by a Former Colonial Secretary."

LORD BOYD:

I am very grateful to you, sir, for your generous and quite unsolicited testimonial to the healthy and life-giving qualities of a certain drink. Thinking that I ought not to mix my drinks, I took off the Guinness tie which I have been wearing for the last three days and put on one of neutral hue, but I think I could, without impropriety, have come fully decorated in that form because of the kind way in which you have referred to the main purpose which has brought me to Canada this week.

Now I am very happy to be here and honoured by the invitation of your Club to speak today. Your Club, as I saw stated lately, was intended to be, and has become, a vehicle of expression of the principles and ideals upon which the British Commonwealth of Nations is founded. And we are meeting, as we all know, on Remembrance Day: it is a day also that is to many of us – I think probably to all of us – a very sombre one as well. There must be many people here who on hearing the news from Rhodesia this morning, will be thinking specially on Remembrance Day of that Empire Air Training Scheme and the work and the training done in the skies of Canada and Rhodesia, the two countries that cooperated in it, and that made a massive contribution to the victory in the last War, of the allied powers.

What I would like to talk about is some of the Commonwealth problems as they seem to somebody who had experience for a considerable time. I hope it does not sound arrogant if I say I was Secretary of State for the Colonies in successive British Governments for a longer time than anyone this century has ever been, except for Joseph Chamberlain. And so in that period I did get to know something about it, and what is perhaps more important, I got to know very well the leaders of opinion of all races and in a form which enabled one to be lucky enough to enjoy their confidence which frequently took a very different form from their published declarations of statement and intent.

It seems not inappropriate, perhaps, to say something about darkest Africa, because two days ago you gave me an experience of darkest Toronto, one that I shall never forget and from a city which is lucky enough now to be fully lit, I would like to deal with some of the problems of a continent that has enormous difficulties ahead but also very splendid opportunities.

Now, if someone had asked that about the time that this Club was formed "What is the future of the British Empire?" there would, I think, only have been two answers; either–and this Club, with its motto of "Canada and a united Empire" would certainly have known what the answer was–the first would have been that the Dominion and the mother country might formally bind themselves together in a federal system, and the other that they might formally separate and go it alone. Now at that time, and to me unhappily, the first–the federal solution–was deemed to be impracticable, and the second–the formal separation –was held, I am glad to say, to be repulsive, and so a third solution was found: the policy of equal status and free co-operation of self-governing territories. Before long, great optimism prevailed. I remember hearing both Sir Winston Churchill and Mr. Amery, both Colonial Secretaries in their time, describe how they had both listened as schoolboys at Harrow to a speech made, I think, on Trafalgar Day, when the speaker said "One day, Nelson's signal will be flashed, not along a line of ships of battle, but along a line of embattled nations round the world", and it was a marvellous ideal. And what is happening now? With India and Pakistan virtually in a state of war and the Commonwealth apparently powerless to stop it; with a Commonwealth country blocking, until a month ago, Singapore's entry into the Commonwealth; with Ghana and others blocking full-blooded support of Malaysia against Indonesian aggression; with Malay and Singapore wrangling with each other when all their interests lie together; with a number of Commonwealth countries doing their utmost to prevent a fair solution in Rhodesia, many people are now shaking their heads and say "it's all over with the Commonwealth; it's nothing but a collection of countries, each of which is connected to Britain in various ways by history and to a varied and diminishing extent by tradition and languages", and people who feel like this say "Patriotism should be based on reality, not on dreams. This is self-deception, on a grand scale" and as someone said lately, "The Commonwealth Club should be wound up gracefully before it breaks up in anger". We have moved a long way from the happy and optimistic days of the past.

Now the Commonwealth is at the moment 77% Asian, 10½% African and 11½ the old Dominions, including the United Kingdom.

Now, Gentlemen, the first thing I would like to say is this – and get this clear – that it needed no wind of change to tell the British people what our duty was. We had proudly assumed at a time of our unchallenged authority the obligation to guide and direct the natural instincts of mankind to be their own master, and our people, as yours, and we are one, had remembered as Lord Curzon said, when saying good-bye to the Indian Civil Service, that the Almighty had placed our hands to the greatest of his ploughs, in whose furrows the nations of the future were germinating and taking shape. And so the general principle of self-government and ever leading people on towards it, is one that no wind of change was needed in order to tell the British people where their duty lay. And, of course, there have been, and in recent years, a number of panic stations and sudden and often tragic *ad hoc* decisions, and to my mind, being in the wings now, it is part because quite a large number of people have lost the will to rule, but it is also very largely because of certain illusions and great outside pressures.

Now as to the illusions, one of the most frequent and most dangerous is that all Africa, for example, is united and is at one on demands on the white races of Britain and other former colonial powers, and the nightmare that this has conjured up of millions of people with a single and common purpose has frequently driven Britain and other former colonial powers to hasty and unwise retreat. Now I do not believe it has ever been true that Africa is united, and it is most certainly not true now. If it were not confidential, I could disclose to you numbers of instances of people coming to me and saying when, for example, drawing up defence treaties with different territories "when you ask us to make this port or this aerodrome open to Commonwealth troops, does that mean that so-and-so is going to have the right to come here?" naming another member of the Commonwealth. "Britain yes, but not them." None of this, of course, can one disclose, but in fact, it is true that Africa and Asia is as deeply divided as, and even more so I think in many ways, than Europe herself.

Now, Gentlemen, in the last two weeks we have seen–and I said I do not believe it is true–in the last two weeks we have seen the collapse, anyhow for a long time, of Dr. Nkrumah's dream of a Union Government for all Africa. I know Kkwame Nkrumah very well, have been his guest, and am fond of him in many ways. But his dream for one government of all Africa received a staggering *coup de grâce* only a few days ago, and all the time, with the emergence of China in particular, new alignments are taking place in Africa and old feelings are being revived. And it has even now become fashionable to talk of the end of the Afro-Asian myth. Now I will come a little later, if I may, to Rhodesia, on which needless to say I have very strong views. At this moment all I would say is that we are sometimes urged to do the wrong thing because of the dangers of a race war if we do not. But the killing that is going on in Africa today is in the Sudan, in Burundi, in Ruanda; it is not black men killing white men, or white men killing black men; it is black men killing each other. This is what is happening in the present terrible wave of terror going on in Central Africa.

Now the second illusion has been to take as their considered view what Nationalist leaders say publicly, though so often, like politicians in all our countries, they cannot afford to be thought less extreme than somebody else, and so publicly they will come out with all sorts of high sounding declarations. But privately, if you had a long acquaintance with them, the story is quite a different one. Without mentioning any names, I would just say that I was once at the end of a conference asked both by the leader of the delegation and his chief opponent to introduce an emergency regulation under which certain people would be arrested in that territory. I did do this. I was immediately and publicly attacked both by the Prime Minister and the Leader of the Opposition as a fascist reactionary who had left it to the last minute to sting this bombshell though they had urged me to wait until the last day. All over, on their journey home, at every port of call, they said that Britain had come in the person of the Colonial Secretary, a dictatorial and fascist power. Well, I found this a little difficult to bear and I sent a protest saying this is not really fair. They said "Your shoulders are very broad"–this is the price of admiralty. But the Prime Minister on one occasion went a little too far even for me, and I looked up a restoration play by, I think, Wycherley, in which a husband returned to his wife's bedroom and found a young man there, and he said to her "What is he doing here?" and she said "Yes, what are you doing here?", looking at the young man, "Get out", and pushed him out of the room and down the stairs. And he called up from downstairs "Perhaps you are right to dissemble our love, but why did you kick me downstairs?"

Now the third great illusion is that democracy can be universally exported–the Chairman referred to this–and I say that the longer I live the more sure I am that democracy in the Whitehall fashion is not for universal export. A number of people are making very brave efforts to make it work, but they are, unhappily, in a minority. Now I tried innumerable variants on the democratic theme–the qualitative franchise, the quantitative franchise, and things of that kind, but we were oppressed by this terrible difficulty. We had for so long, since the days of Victorian confidence, sold to new territories or territories shortly to be new, our ideal of democracy as being the only form of government, that anything else offered them other than the Westminster model seemed in their minds to be second-rate, second best, and today, of course, there is a large number of people in

Rhodesia and elsewhere who are asking for "one man, one vote", not with a view to starting the Whitehall (Westminster) Canadian experiment at all, but to have "one man, one vote and one election", and after that no more elections, and the rule of whoever happens to be in charge on the happy day of the one and only election.

Now, Gentlemen, I would like to say, if I might, a word about Rhodesia. It was said of one former minister who spoke a great deal after his retirement, that the lava of an extinct volcano is seldom hot, and I realise that. But I realise also that with some knowledge but inevitably being out of touch and out of date in many ways, it is very easy for people like myself to add to the difficulties of those who have to play the cards and that is the last thing I would want to do. I had for over five years responsibility for Northern Rhodesia (now Zambia) and Nyasaland (now Malawi), and, of course, I had close contact with the Federation of Rhodesia and Nyasaland, both of them forming part of it, and I had very considerable contacts with the then Southern Rhodesian Government. I was all the time in the closest possible touch with Roy Welensky, and I believe with him in the maintenance of the Rhodesian Federation, which would be based neither on black nationalism nor white nationalism nor on apartheid, but on a union of all races and a non-racial government. And on Rhodesia we have got this moment to remember that if there had been no Federation of Rhodesia, then Rhodesia herself, the former Southern Rhodesia and now the State of Rhodesia, with her forty year record of peaceful self-government, would have been one of the very first African territories to be granted independence. Now many in Southern Rhodesia did not want Nyasaland in the Federation at all; I was one of the British delegates to that Conference and I know this very well; they didn't want it in. Britain, in part to relieve herself of the financial obligations of Nyasaland, wanted her in the Federation and Nyasaland was put into the Federation against the wishes of many of the leaders of Southern Rhodesia.

Then a wide degree of independence was granted to the Federation and to Rhodesia within the federal framework and after the break-up of the Federation – an ever-to-be lamented event in African history – after that break-up, Northern Rhodesia and Nyasaland were given independence, Southern Rhodesia was not. Now today they have taken it. Many people say "Why had they got to do this?", surely these people would argue – and I regret it as deeply as anybody, I may say, very deeply indeed the action taken this morning – many people will argue "Things are surely going their way for Southern Rhodesia". Are not the events in the Congo, the terrible massacre of Christians and others now going on in the Southern Sudan, the massacres in Burundi and Ruanda about which you hardly ever read and the goings on in some other Commonwealth African countries, are they not convincing gradually more and more people, that in their efforts to maintain standards but not privileges – maintain standards but not *white* privileges – the Rhodesians may be right? And didn't even Marjorie Perham, an old and dear friend of many African Nationalist Leaders and of mine as well, write last week in a letter to *The Times* of London ". . . it is unrealistic for African leaders to reiterate 'One man, one vote' today and expect the minority whose capital, enterprise and commercial and agricultural skill have played the main part in creating the impressive but vulnerable state and economy of Rhodesia, to surrender it overnight for a majority which for whatever reason is unready to carry the responsibility". Now if one was asked why had they done it, I think their answer would be three or four things. First of all that the United Nations will never be brought to realise that Britain cannot constitutionally interfere in Rhodesia's internal affairs – and this they could not be brought to realise until Rhodesia was independent.

The second argument which they have often used to me and others is that while there is, in the minds of all Africans, divided authority and while they can look over their shoulder from their own Government to Whitehall, every malcontent, and non co-operator who in any other country would have to work with the Government of his country to try to improve it, can always get in touch with Whitehall and constantly appeal to Westminster behind the back or over the head of their own Government.

The third argument they would use is one of National pride: that "countries which are less well advanced than others, where the conditions of the black African people is terrible compared with ours, have been given their self Government and why should we not as well?"–this is their argument and I repeat again, that I deplore the action that has been taken and have prayed that it would not happen. But, gentlemen, I fear much of the reason and the agitation for what is called U.D.I. springs from the loss of faith and the distrust of Britain in Rhodesia today; I hate to say this and it certainly does not apply to one party more than to another.

I am bound to say without in any way expressing approval of subsequent steps that Mr. Wilson's Government may take in England–without in any way doing that–that I think he deserves praise for his courage, enterprise, persistence and patience as shown in the last few weeks in contacts with Rhodesia. But there is this terrifying distrust and what is it due to? I hate to mention myself again, but I think the first reason is, the abandonment of what was called the Lennox-Boyd Constitution, in Northern Rhodesia, of 1958, despite the fact that in that Constitution were provisions for an ever growing black African participation in Government and the solemn promises that I made on behalf of the Government to the Federal Government that we would do our utmost to preserve this Constitution for a period of years. This, I believe, was the beginning of real distrust. The second was the widespread feeling that exists in Rhodesia that different instructions were given to the Walter Monckton Commission on the Federation from those that were published; this is a very real grievance, as was the handling by the Commission subsequently of the secession issue which led to the break-up of the Federation.

The final reason, I think, is the failure of Britain to stand firmly behind the 1961 Southern Rhodesian constitution of Duncan Sandys; despite the fact that Messrs. Nkomo and Sithole, the two black African leaders, backed it and the former claimed credit for it, but withdrew their support under pressure – African pressure – and intimidation from outside. Under the Constitution there was a reasonable chance – and this is the philosophy of the good Southern Rhodesian which is quite different to the apartheid which personally I detest – under this Constitution there was a reasonable chance that when majority rule came the black African with the growing middle class, an interest in standards and stability would vote not as a racialist but on the merits of the various political problems that divide men of all races elsewhere. And we cannot forget that it was on the British assurance of the maintenance of this Constitution that Rhodesia co-operated in the distasteful task of breaking up the Federation. And, lastly, I think, gentlemen, the final reason for this distrust has been the deep resentment by white Rhodesians, including many liberals, of attacks made on them by other countries, which have not solved their own racial and colour problems, by other countries in Africa and elsewhere which have made far less progress to a free and full life for the black African than has happened in Southern Rhodesia itself. Of course, there are certain unavoidable economic consequences of the action that the Rhodesian Government has taken: the loss of imperial preference, the loss of the Commonwealth sugar agreement and things of that kind – they will undoubtedly follow; punitive economic measures, which would be self-defeating and harm the very people whom they are designed to help, raise quite different considerations. I said, gentlemen, that the troubles in Africa, and the hasty and ill-considered decisions, were due to illusions and I mentioned some of them, but I feel they are also due to outside pressures and

I have hinted at one or two of these. I cannot as a former Colonial Secretary exaggerate how infinitely one's tasks were complicated, by the interference of people with no responsibility in territories of that kind. Fond as I am of the United States, vital as is the maintenance of our friendship in the Commonwealth, I am, I must say, a little intrigued to see the different way in which they approach the problems of an independent British Guiana on their doorstep to the problems of the independence of other territories a long way away. I think events have shown that those who have the power and responsibility should be pushed only a certain distance by those who lack the responsibility and sometimes the power as well. As for the actions in U.N.O. in Africa and elsewhere, the task of a Colonial Secretary can be made astonishingly difficult; though I firmly believe in the maintenance of United Nations, I do wish a touch of realism could enter into their deliberations on matters of this kind.

I am very glad to hear a report in the message I had from London this morning that Mr. Michael Stewart has gone to the United Nations meeting today–I'm not quoting Mr. Wilson's words but it was something to this effect–to say firmly that this is a matter for Britain to settle herself; no doubt the reason for going to U.N.O. and sending the British Foreign Secretary there was–this is not quoting Mr. Wilson in any way, but no doubt it was–to anticipate some other country raising this matter at the United Nations. But, as I say, I am very disturbed indeed, and was always very perturbed by outside interference of this kind.

There has been a good deal of publicity lately about a speech made by a leading Conservative former Minister, about Britain dropping her responsibilities east of Suez. I cannot imagine anything which could do more harm to the orderly development of the world than that thought getting about, and insofar as it is the Far East to England, it is–as Sir Robert Menzies is always saying–the near north to New Zealand and Australia and under modern conditions it is the near west to Canada; any abandonment of the British presence in that way would be a poor contribution to the peace of the world.

Now I started by asking whether the Commonwealth should be wound up gracefully before it breaks up in anger, and I put some of the problems and the dilemmas that are worrying people. My own answer to that would be an emphatic "No!" I am quite certain that we should take no steps–by trying to draw up a code of rules too rigidly and driving out people who don't follow them–we should take no steps ourselves to see it break up. I saw that someone wrote lately "The Commonwealth may not create the brotherhood of man, it may sometimes dramatise the lack of it, but without it we should all have one less chance of getting anywhere along the road towards this infinitely elusive goal". I don't think that shrewd world travellers have any doubt which race and which company of people have done more to carry people along that road, or will do more in the future, and this is people like yourselves, our two countries, the United Kingdom and the old Dominions. I wish that the people who feel like this in Africa and elsewhere could get the same press elsewhere–and this applies also to the United Kingdom–as those who say disturbing–things about the Commonwealth relationship and bitter and partisan things about neo-Colonialism. I will never forget standing in the great stadium in Nigeria when, having ceased to be Secretary of State, I was asked back to their Independence, and hearing Abubakar, the Prime Minister of Nigeria, turn to this vast multitude saying "We are grateful to the British officers who came here, first as masters, then as leaders, finally as partners but always as our friends." I think also, and this is helping the West and the Commonwealth, that steadily the idea is growing in Africa and elsewhere that we give aid without attaching unacceptable strings and they are also more and more beginning to realise that independence and freedom are not necessarily synonymous.

You may remember the story of the man who stopped his large car by the Hyde Park orator some little time ago and the speaker interrupted his speech, pointed to the car, then pointed to a large house in Park Lane and turned to a little man in the crowd and said, "When the day of freedom dawns brother, you'll have a car like that and you'll live in a house like that." "But," said this man, "I like my little house and I like my little car." But the outraged speaker said, "When the day of freedom dawns, brother, you'll damn well do what you're told!"

Finally, gentlemen, we have all got to realise certain things about each other: I think our new Commonwealth friends have got to listen to more rough talking than has been done in the past. We have all been so excessively anxious not to hurt their feelings and we have all suffered – or many have suffered – from the illusions to which I drew attention at the start, and we on our side, particularly in the United Kingdom have got to realise that the Commonwealth, not being a political unit or unhappily, a defence once, can't arrive at the common political or defence policy that we might like to see it adopt and that on our own, in the old days, we could have organised. Secondly, the desire of new members to be independent and to prove it a reality, makes them in the early stages assert it on every possible occasion. But meanwhile, there is, of course, enormous co-operation and a constant buzzing of the wires between Commonwealth countries on all manner of issues, quite apart from this unsung and largely confidential contact which goes on endlessly; I think it was Voltaire who said "If the Holy Roman Empire didn't exist it would have to be invented"; one feels that about the British Commonwealth. Apart from all this there are innumerable contacts: the Trade Conferences, the highly successful Commonwealth Education Conferences, the Medical Commonwealth Conferences, the regular Commonwealth Law Conferences and I personally hope the eventual evolution of a Commonwealth Court of Appeal, the Commonwealth Games, the ever growing getting together of professional people in the Commonwealth and finally, very important, the emergence at last of a Commonwealth Secretariat. Arnold Smith, the first Secretary General of the Commonwealth Secretariat and a most distinguished Canadian, is, I believe, at this moment in Central and East Africa. I was very glad indeed to see that on his appointment he said he proposed to be a gardener rather than a planner. "Planners," he said, "have to schematise things; I just hope to encourage them to grow." Now he has got a lot of seeds and there is a great chance that they will grow and we can all help him. And not least members of a club like this which is keeping alive in difficult but challenging times, the ideal of Commonwealth unity. And as such I wish it every possible success.

Conclusion

In view of the very special circumstances of the Declaration of Independence by Southern Rhodesia, COL. ROYCE concluded the meeting with these words:

I feel compelled to add one word on Southern Rhodesia and I hope I speak for the Empire Club as a whole when I say–these are our brothers as loyal to the Queen as you and I but facing a problem to which there is no easy solution–perhaps no solution at all.

Our own state of political grace and moral excellence make the urge to give unsolicited advice almost irresistible and I have no doubt a substantial number of our citizens will succumb.

May I submit with the greatest humility and sincerity that this is a time not for uniformed criticism but for anxious thought and the prayers of every one of us.

Thanks of the meeting were expressed by Mr. Graham M. Gore.

NOVEMBER 15, 1965

Joint Use of Energy Resources

AN ADDRESS BY Honorable Stewart L. Udall
SECRETARY OF THE INTERIOR
UNITED STATES OF AMERICA

JOINT MEETING The Canadian Club of Toronto
The Empire Club of Canada

CHAIRMAN George E. Gathercole, President,
The Canadian Club of Toronto

MR. GATHERCOLE:

This is an occasion to which we have looked forward with warm anticipation for several months, knowing that it requires the favourable concurrence of many circumstances to translate the simple acceptance of an invitation into reality. I refer to the presence here today of a distinguished member of the President's Cabinet to address us on a subject that is of high importance in this country and of no less importance and interest in ours.

Years ago, a fellow countryman of Mr. Udall made this observation: "One reason we are a great nation is that we have been unable to exhaust our natural resources in spite of our best efforts." That statement, of course, is cynical and overdrawn, but it does make you think. Who is to say that in time even natural resources, abundant though they now be, may not be equal to keeping America, or indeed Canada for that matter, "great"–that is unless they are wisely used.

To manage resources wisely has been the constant mission of our guest speaker. For most of his adult life he has been passionately devoted to the conservation and rational development of natural resources that they may not only meet contemporary and future needs, but that they should enrich life through their infinite beauty and diversity.

Mr. Udall was born in Arizona 45 years ago, a descendant of one of Arizona's pioneering families. His grandfather was a missionary in the Mormon Church. His father was Chief Justice of the Arizona Supreme Court. Secretary Udall attended the University of Arizona and after an interval of missionary church work, graduated in law. During World War II, he served with the U.S. Air Force over Europe as an enlisted gunner.

In 1955 Mr. Udall was elected to the House of Representatives and served for three successive terms. It was here that his qualities as a hard-working, knowledgeable, dedicated and crusading conservationist and advocate of measures to improve the well-being of his fellow Americans became widely known. These were characteristics that were to appeal to President John F. Kennedy who, in forming his first Cabinet, appointed Mr. Udall Secretary of the Interior–a position he continues to hold; administering a department of 56,000 workers, responsible for national programmes relating to mineral resources, including oil and gas; federal hydro-electric power; water; irrigation; fisheries, wild-life; national parks and historic sites.

Secretary Udall's basic philosophy is boldly revealed in his book *The Quiet Crisis* published in 1963. In the political life of this country we have had reason to know that the writing of a book can be a hazardous and self-defeating undertaking. But Mr. Udall is not only the author of a best-seller, but has recently been indulging in the composition of poetry, without seemingly dimming his image or blemishing the respect in which he is held.

As a forthright and courageous man, Mr. Udall and controversy are no strangers. He accepts this as part of his job. To Mr. Udall, the conservation and development of resources must be thought of in global terms rather than in those of a single country. Nations, he has said, can either compete ruthlessly for resources or they can co-operate in measures which respect the laws of nature and contribute to abundance. Thus he regards resource development as resting on international co-operation; and what co-operation could have greater significance or be more rewarding than that between our two countries – independent, but interdependent, co-tenants of a continent!

Sir, it is a privilege to have you here.

MR. UDALL:

In nearly five years as Secretary of the United States Department of the Interior, I have visited Canada to inspect and discuss resource problems on several occasions. My trips to New Brunswick, to Vancouver, to Ottawa, and to the Great Lakes country have strengthened my conviction each time that we have much to gain from closer co-operation in the conservation and development of our resources. Each time I cross our border, I become more and more impressed with the common bonds which tie our two nations in close friendship. And, each time I am drawn into discussions of the vast natural resources of Canada and the United States, President John F. Kennedy's words take on true meaning and significance. Before a joint session of your Parliament in 1961, he said:

> "Geography has made us neighbours. History has made us friends. Economics has made us partners. And, necessity has made us allies. . . . Thus, ours is a unity of equal and independent nations, cotenants of the same continent, heirs of the same legacy, and fully sovereign associates in the same historic endeavour."

In the intervening years Canada and the United States have shared in each other's progress and have contributed to each other's self-realization.

The figures are well known to all economists, but last year alone, 62% of all Canadian exports were sent to the United States, and 68% of your imports were obtained in the United States. Conversely, 20% of our exports went to Canada and we received 19% of our imports from the North.

As you well know, the United States draws heavily upon Canadian raw materials. For example, three-eights of the petroleum production of Canada is consumed in the United States. By the same token, Canada is the largest customer for export of United States coal – and both nations benefit immeasurably from this exchange of energy.

American citizens have invested about $20 billion toward the capital development of the Canadian economy, and Canadians, on a per capita basis, invested even more in the United States industrial development. In short, we are the world's best partners in mutual assistance efforts that make our joint standard of living the highest for any continent of the world.

President Johnson has characterized this Canadian-United States partnership "as a model to the world . . . built upon four pillars. The first pillar is peace. The second pillar is freedom. The third pillar is respect. The fourth pillar is co-operation."

And, it is on this fourth pillar of co-operation that the future growth of Canada and the United States rests – as clearly evidenced by the increasing interdependence of the people of both nations on the abundant and varied natural resources of North America.

Many nations on this earth are separated by natural barriers, but the border between our two nations is not one of them. Birds fly over it, fish swim through it, pipes and electric power transmission lines cross it at many points, ore bodies lie under it, stands of timber straddle it, and rivers traverse it. Our continent is a single ecological unit, and the co-operative development and protection of the resources of this continent is a challenge we jointly face as each year we make decisions concerning our future.

Prime Minister Pearson pointedly summed up this responsibility when he said, "This is what our two countries are uniquely fitted to do, to join together in the constructive development of our continent's resources for the benefit of present and future generations."

The great strides by both Canada and the United States have, of course, been in the mutual development and use of the energy resources of each. This, I would point to as the classic model for co-operation because it is built entirely on mutual freedom of choice – not necessity.

Either of our nations could become independent of the other or of other areas of the world from the standpoint of energy exchanges. For both of our nations this would entail added burdens – but not impossible ones. Thus from moment to moment the pattern of energy exchanges between ourselves and with other areas of the world is, to a very large extent, a reflection and recognition of mutual advantage. Herein lies a major source of strength for our economies and, at the same time, a source of numerous problems. Both the United States and the Canadian economies must have the cheapest possible energy to stay competitive in the world market place. Efficiency is the real genius of our economies – and we must constantly reduce the cost of energy if we are to achieve this goal.

In my view, we must look at the North American Continent in a new light from the standpoint of the world's energy requirements. Our thinking must not be limited by the parameters of today's technology. To the extent that we rely on supplemental supplies of energy from other nations we must realize that this may prove to be a transitory element in the overall energy picture.

Let me say further that the technological development of the latent energy resources of North America is, to a very large extent, the product of our action. It is for us to choose the pace and extent of our technical advance. There are indications both in Canada and in the United States that the tempo of technological change will continue apace.

Electric power is a prime example of joint technological development whose benefits we have mutually shared.

Many Canadians and Americans laboured over a 20-year period to bring about the Treaty between the United States and Canada for the development of storage on the Columbia River. The Columbia Treaty provides for the orderly construction of Duncan Lake, Arrow Lakes and Mica Creek Dams in Canada, and Libby Dam in Montana. It provides for the controlled release of 15½ million acre-feet of stored water annually from British Columbia reservoirs to produce great flood control and power benefits on the main stem of the Columbia River.

The initial benefits for the full development of the Canadian storage projects amount to nearly 2,800,000-kilowatts of dependable capacity and nearly 8 billion kilowatt hours of annual energy. These power benefits are to be divided equally between both countries. Canada is also to receive $64,500,000 for operation of the storage for flood control purposes.

Since the Province of British Columbia was going ahead with the Peace River Development, arrangements were worked out whereby the Canadian entitlement for United States projects on the Columbia was sold to the Northwest utilities in the United States for a period of 30 years for $254,400,000. The sale of this power has already accelerated the development of the natural resources of both nations.

The Treaty gave impetus to the development by the United States of the Pacific Northwest-Pacific Southwest Intertie which ties the power systems of Canada and the United States together extending from the Peace River in British Columbia to the City of Los Angeles in southern California and Hoover Dam in Nevada and on to Phoenix, Arizona. The Intertie permitted an interim sale of Canadian entitlement power in California. It also opened the door to the current construction of three new giant dams in British Columbia. This bold new joint approach which provides for water conservation, orderly development of the power resources, and extra-high-voltage transmission lines will provide enormous economic benefits for both countries.

In Portland, Oregon, President Johnson celebrated this new action programme by observing:

> "This intertie which is the result of so many brains and so much work, and such great efforts, is the most exciting transmission system in history. . . . This system is also proof of the power of co-operation and unity."

The Pacific Northwest-Southwest Intertie essentially will connect the major transmission systems of British Columbia and the 11 Western States of the Continental United States. It could be considered really the out-growth of the Bonneville transmission grid which was patterned after the first major electric grid on the North American Continent, if not in the world, developed in Ontario around the beginning of the century.

This pattern certainly can be extended to our mutual benefit and hasten the development of a unified extra-high-voltage grid system between our nations. The six important interconnections now between Canada and the United States could provide the basis for further pooling of our resources. A week ago we might have averted serious power outages in both countries if stronger power interests had been in existence.

Since 1961, my department has been re-examining the possibilities of hydro-electric development of the Upper Saint John River. Based on this effort, we have thus far authorized the Dickey-Lincoln Schools Dams in Maine on the Upper Saint John River. The construction of this large project will make possible the development of a large block of power in northern Maine for New England and also increase the power production at downstream plants on the Canadian side of the Saint John River. Here we have the reverse situation of that of the Columbia River in the Pacific Northwest.

An agreement between our countries will be needed. The joint engineering studies are largely finished. I am confident that agreement will be reached and the Dickey Project will be built. An interconnected extra-high voltage transmission system between our countries may well follow. With such a system, there could be exchanges of energy, great diversity gains, improved efficiencies and opportunities to bring in new untapped resources.

Indeed, the prospects are brilliant. In Canada you have at Churchill Falls one of the largest potential hydroelectric projects in the world. Here it is possible to develop 6 or 7 million kilowatts of continuous firm power – power to be marketed in Canada and also in the United States. The giant interconnections which would be necessary in marketing this power would immediately create substantial diversity benefits for the New England-New York area and the Quebec-Maritime Provinces.

The tidal power resources of the Bay of Fundy are formidable. Here exist the highest tides in the world. They range up to 55 feet and average about 28 feet. Modern technology has given us the key to that development – in newly-designed turbines and generators and in high-voltage direct current and alternating current transmission lines.

The development of a strong transmission grid between our countries can aid in topping the tidal power resources of the Bay of Fundy which we in the United States are continuing to look at. In Canada you are studying such favourable sites as Cumberland and Shepody Bays, as well as Minas Basin.

Canada has been blessed with many great rivers which undoubtedly must be developed to meet the needs of tomorrow. The potential of the Nelson River Basin of Manitoba exceeds 5 million kilowatts. Power from this source could certainly be marketed in Winnipeg, Minneapolis, and St. Paul. The transmission systems which will be utilized to market this power will allow the free flow of energy between the two countries. There are many other potential sources of low cost energy in British Columbia.

Electric loads in both countries will continue to grow rapidly in response to population growth. Power requirements in the United States will double over the next 10 years and will more than double in Canada. This means that our two countries will have to spend in the next 10 years more for generation, transmission, and distribution of electricity than we have over the previous 80 years. The industrial prosperity of our countries is fully dependent on an abundance of low-cost electric power. Our countries will, of course, get the most for their money only through strong international and regional pooling.

This across-the-border power planning has several advantages for Canada. Salable energy to the United States in the early years will accelerate the development of resources in Canada and it will assure Canadians of a developed domestic source of supply for home markets when needed.

Growth of the power industry has and will continue to require the intensified use of hydroelectric power for peaking purposes. And all power systems require vast quantities of base load energy. This base load energy will in the foreseeable future be supplied by very large thermal plants – either nuclear or fossil-fuelled steam electric powerplants. Fuel for these plants will accelerate the production of coal, oil and gas, both in Canada and in the United States. It will lead to the mining of more coal and the production of more uranium.

The building of great dams and power stations and extra-high voltage transmission grids is not the only instance in which our joint efforts have been of mutual benefit. We enjoy a large and profitable trade in all the conventional sources of energy and some unconventional ones as well.

The Nuclear Age was opened up by the United States with Canadian uranium, and Canada continues to be our major outside source of this vital material. Canada in turn is the prime foreign market for United States coal – a vast resource stable in supply and low in cost – and we hope we may continue to deserve and receive your business in increasing volume in the future.

In the case of petroleum and natural gas, the flow runs the other way. Approximately 35% of Canadian oil production and about a third of its natural gas are exported to the United States. The growth of oil trade between our two countries over the past five years is of particular interest, I think. Following the publication of the Borden Commission Report and the setting of national goals for Canadian petroleum production, your exports to the United States increased from the 1959 level of 92,000 barrels a day to a current figure of about 315,000 barrels a day. This growth, which has averaged a remarkable 23% annually has been levelling off in recent months, but it will continue to be an important element in Canada's dollar earnings and export trade.

In oil, in natural gas, in coal, uranium, and hydroelectric power, our two nations must go through a constant balancing of short-term considerations versus long-term interests. I am convinced that over time, we will achieve even greater co-operation in our national policies relating to the development and use of our energy resources. The growing interdependence of our two peoples, along with their growing numbers, requires closer co-ordination than ever before in the management of the resources on which our hopes for a better world depend. In the meantime, I think we can all be encouraged by the very substantial progress we have made over the past five years.

Modern technology has equipped us with tools to develop our great natural resources. We can build the dams, the tidal powerplants, the D-C and A-C extra-high voltage transmission lines. We can find petroleum and gas. We can unlock the reserves of oil shale and tar sands. We have abundant and stable supplies of coal and uranium on the North American Continent. We have a growing industrial complex in Canada and the United States which will draw increasingly on these energy supplies and we have a commitment to our people to use energy to create a better way of life.

We have the resources and the technological know-how. Now our countries must use the tools which are already in our hands.

As a first step, we must discontinue talking about one energy source as a substitute for another. The task we face is the continued and accelerated development of all energy sources and the phasing of these resources into our two economies, so as to achieve the best production patterns and the proper utilization.

We must be bold – aware that every energy projection has been surpassed. I pledge the fullest co-operation of the Government of the United States as we go forward with the joint development of the energy resources so vital to the future of both Canada and the United States. And, I am sure this vision of tomorrow does not halt at the border.

Thanks of the meeting were expressed by Lt. Col. E. A. Royce, E.D.

NOVEMBER 25, 1965

Canada's Military Colleges

AN ADDRESS BY Air Commodore L. J. Birchall,
O.B.E., D.F.C., C.D.
ROYAL MILITARY COLLEGE

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Moderator, Mr. Controller, Honoured guests, gentlemen: –

A proud mother once wrote to James I of England asking him to make her son a gentleman. King James was essentially a practical man and he replied, "My dear Madam, I could make your son a nobleman but God himself could not make him a gentleman." This rather pessimistic view is not shared by R.M.C. for with complete optimism, each student on arrival becomes a gentleman cadet automatically – happily the end result usually justifies this hopeful approach.

Our speaker today is, of course, a schoolmaster and one of his colleagues in replying to the enquiries of a fond parent as to the progress and safety of her son wrote "Dear Madam, such time as your son does not devote to self-adornment is spent in the neglect of his studies." Since both the studies and the adornment are supervised with some care at R.M.C., it seems likely some other institution was involved!

On the first of June, 1876, the Canadian Military College – it was not yet known as Royal – opened its doors to a class of eighteen cadets. The first Commandant was an engineer, Lieutenant-Colonel E. O. Ewart of the Royal Engineers, and the enabling Act of Parliament stated, "This institution is set up for the purpose of imparting a complete education in all branches of military tactics, fortification, engineering and general scientific knowledge in subjects connected with and necessary to a thorough knowledge of the military profession and for qualifying officers for command and for staff appointments." Ten years later, Sir Charles Tupper wrote to the Minister of Militia: "I regard the Canadian Military College as one of the best of its class in the world. The training and results are in every way of a high order and the Americans themselves, I understand, say better than at West Point." It might be well to mention that a military college was first suggested in 1816 so that a mere sixty years lapsed between the suggestion and the realization and I hope you will pardon me if I mention that, meanwhile, Royal Schools of Gunnery were established at Quebec and Kingston to antedate the Military College by five years. These batteries still exist as units of the Royal Canadian Horse Artillery. One additional comment may be interesting in this regard – when Sir John French as Inspector General of the Imperial Forces carried out a thorough investigation of the Canadian Militia at the request of our government in 1910, he was highly critical of almost everything. There were two exceptions – the Royal Military College and Petawawa Camp!

The Royal Military College has had its problems but apart from one isolated bad patch in the 1890's, its record has been one of excellence and its Commandants able, dedicated men to whom Canada owes a great debt of gratitude. Those of us who learned our soldiering in the old pre-war Militia may well regard ourselves as stepchildren of the College for our minute Regular Army was officered almost entirely by a tiny band of graduates from the College. These were the men who worked with us at Royal Schools and Provisional Schools and Summer Camps and week-end exercises to give us some idea of soldiering. Without these men Canada could never have made the effort she did in 1914 and again in 1939. May I suggest that no expenditure of public funds in our history has yielded greater benefits to Canada than those devoted to the maintenance of the Royal Military College for without its graduates and their Militia proteges, we would have been entirely dependent on other countries for the training of our staff officers and commanders in two great wars.

Our speaker today requires little introduction. He is a career soldier, educated at the Royal Military College. He has represented Canada in Washington, Paris, and Japan where he was a member of the prosecution team in the Japanese war trials. The great opportunity of his service career came on that momentous day in 1942 over the Indian Ocean when he saw the Japanese fleet spread out below him – a fleet fresh from an unbroken series of victories and on its way to what it confidently believed to be the conquest of Ceylon as a first step to seizing India. Commodore Birchall passed his message of warning and was immediately shot down; it must have been weeks and months before he learned in his Japanese prison camp that his action had resulted in the first serious reversal to Japanese arms and the salvation of Ceylon. However, there is more to the story – Hemingway, that great writer, described courage as grace under pressure and there is no doubt it takes a special sort of courage to maintain not only one's own morale but those of one's associates and subordinates in the atmosphere of a prison camp where news is non-existent, conditions wretched and punishment severe. Our speaker had greatness thrust upon him when he saved Ceylon but he achieved another sort of greatness as a prisoner-of-war – his devotion and example earned him the O.B.E.

The motto of the Royal Military College and its sister colleges is "Truth, Duty, Valour". I am sure no one in the long and glorious history of the College has better epitomized these qualities than our speaker today. It is my privilege to introduce Air Commodore Birchall, O.B.E., D.F.C., C.D.

AIR COMM. BIRCHALL:

Mr. Chairman, honoured guests, members of the Empire Club: It is a pleasure and a privilege for me to be here today as your guest speaker. I had the honour of speaking to your Club shortly after my return to Canada in late 1945 and at that time I tried to give a description of my experiences during 3½ years as a prisoner-of-war in Japan. Since my topic today is to describe the purpose and operation of the Canadian Services or Military Colleges, my trend in topics is in direct opposition to that of television where horror programmes are on the increase. Nevertheless, I trust that you will bear with me in my role as Dr. Jekyll rather than Mr. Hyde.

No one will deny the fact that it is essential to have, within the officer cadre, a hard core of well educated, highly trained officers from which to draw our commanders and senior staff, and the purpose of the Military Colleges is to produce junior officers for the base of this core. It is necessary, therefore, to have a look at this type of officer for a moment.

Today, not only must the junior officer be able to train and lead his men, he must also have a very intimate knowledge of government, politics, national and international affairs, economics and science if he is to give sound advice to his superiors. This is only part of the problem. The Services must compete with the professions, as well as with big business for the best brains in the country and only by offering a career of comparable challenge can the Services attract applicants of high standard. Again, to maintain a high standard of physical fitness in the Services, an officer retires at a relatively young age, and he must be adequately equipped to change to civil life at the end of his service. The final factor is that he is likely to spend much of his career in the prevention of, and preparation for war, but while he may not actually have to fight a war, he must be ready at all times to do so. During the time he is not fighting, he must play his part in the social, professional and intellectual life in his community, and must therefore have an education standard equivalent to the leaders in that community.

Such education is also essential to keep the officer's mind alert, exercised and fit to absorb, as well as to use, experience effectively. In essence, the Service officer's mind must be disciplined, enquiring, and above all, creative.

This is the junior officer of today, but the recruits entering the Colleges this year could still be under retirement age by the year 2000 A.D., and who knows what the future may hold. With this rather sobering thought, I shall now describe what the Military Colleges have done and are doing about this very important task.

After the achievement of Confederation, the British regular units were gradually withdrawn from Canada, thereby making it necessary to create a Canadian Permanent Armed Force. The most imperative need was a source of professionally trained officers, and the government took steps to remedy the situation by establishing the Royal Military College in 1876.

From the beginning until the College was closed during World War II, cadets entered the College and paid their own way. The curriculum had a heavy emphasis on military training in all three Services and at the same time gave the academic equivalent of about three university years in Arts, Science and Engineering. There was no commitment to join the Permanent Force upon graduation and all graduates who joined the Permanent Force did so voluntarily. There were 41% who did so and many more would have joined but were prevented by the limited number of commissions offered by the Services.

Then came the Soviet nuclear threat and the Korean war. It now became evident that because of the nature of modern strategy and weapons, a future war would be so immediately overwhelming and devastating that there would be no time to mobilize and train Reserves. It would be necessary to fight with forces in being and so our defence policy became one of having a much larger Permanent

Force. Another and perhaps more important consequence was that with modern complex weapon systems and strategy, a larger number of officers educated to university degree standard were required.

As you know, universities, industry and many branches of government are all providing financial assistance in the form of scholarships, bursaries, gifts and loans to further the university education of outstanding students. This competition made it necessary for the Services to inaugurate the Regular Officer Training Plan, or ROTP, under which cadets are given a university education with the government paying all costs for tuition, uniform, books, board and lodging, either at a Military College or a university. The cadet is also given about $65 monthly take-home pay. For this the cadet, upon graduation, undertakes to serve a minimum of four years in the Permanent Force. The only subsequent change in this Plan is that now up to 15% of the intake can be what is known as "Reserve Entry"; these cadets pay their way as before and have no obligation to serve in the Permanent Force after graduation. They must, however, attend summer training with their Service at which time they are paid as officer cadets.

There is good reason for the Reserve Entry. Many young lads today would like to take advantage of the excellent education and training in the Military Colleges but are not certain enough about making the Service a career to commit themselves so early. Under the Reserve Entry they can give it a try and if they like it they can transfer at any time to the Regular Plan with all its benefits.

As an indication of the value placed on this Plan, the Ex-Cadet Club, or alumni, have started a Foundation Fund and one of its aims is to provide three $1,000 scholarships each year for Reserve cadets. The first scholarship was awarded this year, very shortly after the start of the Foundation Fund, and the recipient was a lad from Toronto. He is an outstanding cadet in all respects and gives every indication that he will be one of our superior graduates.

The selection procedures and standards are the same for all candidates, either Regular or Reserve Entry. A candidate must be a Canadian or a British subject; have reached his sixteenth but not his twenty-first birthday on the first day of January preceding entrance; be single and remain single until graduation, and have passed his junior matriculation for College militaire royal de Saint-Jean or senior matriculation for RMC and Royal Roads with a minimum average of 64%. Following these more or less mechanical screens, he is processed through selection teams whose task is to identify those with the intellectual and emotional ability to meet the demands of the officer role. The selection is divided roughly into two parts, firstly, a joint medical-psychological examination designed to eliminate candidates unsuitable on physical, emotional and intellectual grounds; and secondly, by a series of interviews and test banks to assess military and leadership potential. Since an officer spends his entire career working in close association with others, one of the most important factors is how well the candidate gets on with and influences other people. The tests are therefore aimed at determining how well he can use his verbal, practical and planning skills in contributing to the solution of a group problem; and how well he can co-operate with other members of the group, persuade them to work together, and above all, persuade them to accept him in the role of leader.

There are two approximately equal streams of cadets in the ROTP; one through the civilian universities and one through the Military Colleges. There are about 40 Canadian universities involved in the ROTP and three Military Colleges: Royal Roads on the West Coast, College militaire royal de Saint-Jean in Saint-Jean, Quebec, and Royal Military College in Kingston. Royal Roads accommodates about 200 cadets, with a yearly intake of about 130. Entrance qualification is senior matriculation and it has a two year university course. CMR accommodates about 400 cadets, with a yearly intake of about 175 (60% French and 40% English-speaking). Entrance qualification is junior matriculation because there are many places in Quebec and other Provinces where a student cannot obtain a senior matriculation locally. CMR has, therefore, a Prep Year to bring the recruits up to senior matriculation standard, followed by a further two years of university studies, making a three year course in all. RMC accommodates 550 cadets, has a yearly intake of about 75 cadets, an entrance requirement of senior matriculation, and gives a four year university course. The reason for the small intake is that all cadets, upon graduation from Royal Roads and CMR, come to RMC for their last two years, making a third year class at RMC of over 200 cadets.

The main difference academically between the universities and Military Colleges is that in the universities the curriculum and standards are at the discretion of the university, whereas in the Military Colleges the curriculum can be adjusted to meet Services requirements, provided the basic standards for a university degree are met. For example, in the Military Colleges, all Arts students are given 865 hours of mathematics and science as against the civilian Arts student who takes very little, if any, of these courses. All Military College engineering students take approximately 500 hours of humanities compared with approximately 200 hours given in a Canadian university. French language instruction is mandatory for all cadets during the first 3 years in the Military Colleges, bringing all cadets to a fair level of bilingualism. In addition, four years of military studies are an important part of the curriculum.

There are, however, many advantages in maintaining ROTP cadets in the universities. For one thing, it keeps the military in the eyes of the civilian students while at the same time the cadets establish a very close relationship with future leaders in Canadian industry, the professions and government.

The Military Colleges have a double aim, to educate and train, that is, to provide cadets with a mental, moral and physical stamina. Regarding education, in addition to those differences I have already discussed, 15% of the curriculum is devoted to military studies, drill and PT. The military studies encompass a wide range of subjects, dealing with Service customs, roles and organization of the Services, military history, the employment of forces, leadership and man-management. Apart from this formal training and living in a military atmosphere at the College, the cadet looks to the ten-week summer period spent with his Service each year as the primary source of specialized Service training.

I would now like to discuss the training aspect which is perhaps the most important task of the Military Colleges. There is one quality which can be identified as fundamental to any successful enterprise: namely the willingness of each member to subordinate his own desires to the best interests of the organization. In the Services this quality reaches its maximum during war when the military demands the ultimate in subordination of self–the surrender of life. A leader can only get his men to do this if they can identify themselves with a higher loyalty such as to country, Service, ship, station or unit. That is why, as leaders in training, the cadets start as men in the ranks, live a restricted life and are under strict discipline. This system subjects them to ways and means of developing the ability to forego personal pleasures and desires through the creation of a higher sense of achievement in promoting the greater well-being of the whole unit.

Thomas Huxley, one of the greatest scientists, lecturers and educationalists, once wrote: "Perhaps the most valuable result of all education is the ability to make yourself do the thing you have to do, when it ought to be done, whether you like it or not." Our system is aimed at the acquiring of this ability.

Training is given by daily routine and athletics. The daily routine starts from the second the cadet puts his foot into the College as a recruit. Reveille is at 6:15 a.m. and from 4 p.m. to 6 p.m. there are sports on Monday, Wednesday and Friday, and tutorials and non-athletic activities on Tuesday and Thursday. 7 p.m. to 10 p.m. Sunday through Friday is reserved for private study with lights out every night at 11 p.m. Saturday, they can sleep till 7:15; sports and drill in the morning, with the afternoon and evening free. Sunday they sleep till 7:30 a.m., church parade at 10 a.m. and the afternoon is free. A very full schedule, but necessary in order to get everything done. Perhaps many of the things they do find time to do would be better left undone. Last year a visiting Royal Navy Frigate which anchored in the harbour had the College letters painted on its side during the night in three-foot letters of red paint and a Greek freighter suffered the same fate this year. At our last Convocation, I arrived on the parade square with the Minister of National Defence to be confronted by a large sign on one of our dormitories which was undergoing repairs, saying: "Demolition for Co-educational Purposes–Condemned". I suppose if you are going to raise tigers, there is no sense in having them tame.

From recruits on through the four years, it is a progressive system in which responsibilities are added and commensurate privileges granted, such as passes, week-end leave and lights out when desired. The seniors, or fourth year cadets, have responsibility for command and control of the Cadet Wing and they have a command structure the same as at a normal unit. There is a Wing Commander with his headquarters staff and each of the five squadrons has its Squadron Commander and staff. They are responsible for discipline through proper orderly room procedures, standards of dress, deportment and drill, management and supervision of all sports, dances, entertainment and other College activities. This, of course, is under the regulations as laid down and the immediate supervision of the College staff. In this way the cadets get invaluable training in discipline, leadership and man-management. The two main guide lines are:

He who will not accept orders has no right to give them.
He who will not serve has no right to command.

The second part of training is athletics. Cadets do PT, aquatics to Red Cross standards, sports fundamentals and skills. In the sports programme there are 24 intramural sports in which all cadets are taught the basic skills, rules and organization. During the afternoon sports periods, four of the squadrons play against each other while the fifth organizes and officiates. Each cadet must play at least one body-contact and one individual sport. In the extramural programme we have teams in 17 sports and this past year we won 8 firsts, 5 seconds and 2 thirds, giving us top rating in 15 out of the 17 sports. Over 200 of our 500 cadets participated in these sports, mainly in the Ottawa–St. Lawrence League of 10 universities such as Ottawa, Loyola and Carleton, whose registrations are in the thousands.

Perhaps you are wondering just how the new policy of integration will affect the Colleges. Unlike Military Colleges in the United States, the Commonwealth and other countries, RMC and its sister colleges have always been operated on an integrated basis. It is really only when the cadets graduated and were sent to their respective Services that they became Service oriented. Clearly then, the integration of the forces is a welcome boon to both staff and cadets. The common training, experience, background and friendship developed during the College years make the cadets ideally suited to the new concept of integration. The cadets themselves are enthusiastic and excited about the challenges presented by this modern approach to defence organization and are proud that Canada is the world leader in this field.

One immediate result of the present integration which is of importance to us, is integrated recruiting. This, as you know, has just been inaugurated the past year, but already its effects are being felt and will provide a sounder basis for selection of recruits. As experience is gained in this field and integration progresses, efficiency can be further improved. The integrated Training Command is another advantage as it will enable the Colleges to deal with one agency, on training matters, not only in the Colleges but during the summer, instead of three as in former years.

These and many more advantages will be attained under integration.

How successful are the Military Colleges? The proof of the pudding is in the eating. In the Military Colleges, over and above academics, cadets are failed for lack of physical fitness, for lack of officer-like qualities, and in military studies. Yet, for every 100 students who enter RMC, 66% graduate, whereas at the Canadian universities approximately 48% graduate. In the past two years we had three Rhodes Scholarships and this is all the more remarkable when you consider that out of over 25,000 graduates annually in Canada eligible to compete for 11 of these scholarships, only 190 are from RMC. We have also had three Athlone Fellowships and 19 other top Canadian and United States scholarships in the same period of time. This high level of academic success is possible through being a small residential College with a first-class faculty dedicated to "The Pursuit of Excellence".

The next important question is "How many remain after their Service commitment?" The latest figures are that approximately 54% of the university graduates remain, and approximately 70% of the Military College graduates remain. Considering for a moment those who do return to civilian life, it is interesting to note that many have been highly successful and made valuable contributions in all walks of life. Many are, or have been, Cabinet Ministers, Members of Parliament, or held other high positions in government. Several of our largest industries today have graduates as directors or presidents.

Gentlemen, I hope I have been able to give you an insight into the production of junior officers for the Canadian Armed Forces by the Military Colleges. History records that the graduates of the Military Colleges have played important roles not only in the history of Canada but of the Empire and the Commonwealth. I am certain that this will continue and that you, as Canadians, can be proud of those who will in the future be the leaders of our Armed Forces and the defenders of our way of life.

Thanks of the meeting were expressed by Major T. C. Keefer.

DECEMBER 2, 1965

A Look Behind The Iron Curtain

AN ADDRESS BY Honourable T. C. Douglas
MEMBER OF PARLIAMENT
LEADER OF THE
NEW DEMOCRATIC PARTY

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Honourable members, Reverend Sir, distinguished guests and gentlemen.

Before I introduce our distinguished guest, I have a little story I would like to tell. An American tourist visiting Scotland for the first time observed as he passed through the streets of a small village an almost complete absence of men. He halted an elderly gentleman in the street and asked the old gentleman, "How can this be?" and the old Scot replied, "Oh, they're all away governing the world."

It's not surprising that our distinguished speaker today was born in that old historic City of Falkirk. The Douglas family according to some research I have been doing seem to have been leading minorities for approximately 1,000 years, and causing a fantastic amount of alarm and despondency among the English majority in the process.

In the early 1300's there was a wide difference of opinion regarding Sir James Douglas. Scotland referred to him as Douglas the Good, and the English referred to him as Black Douglas. He managed to get himself killed in Spain while endeavouring to return the heart of his friend Robert Bruce to the Holy Land, and there are those that probably felt that fellow should have spent more time on Crusades preferably in Spain.

Our Speaker today may know of an episode in the past in which powerful friends in high places proved somewhat unreliable. In 1452 King James invited a Douglas for a friendly talk. They hoped for an alliance, and when the talks proved unsatisfactory King James had his guest liquidated by some of his troops and no more was heard of that Douglas. In those days politics were conducted in a more direct manner.

Our distinguished speaker, the Honourable T. C. Douglas came to Canada permanently when he was 14 years old. For a time he was a printer and still carries a printer's card. While in his teens he came under the guidance of a man who was later the leader of the CCF Party and with the guidance of that great man our speaker completed his schooling, obtaining a B.A. at Brandon University and an M.A. at McMaster, and later did postgraduate work at the University of Chicago.

In 1930 two important things occurred. He married his present wife, the only one he has ever had, and was called to a Church in Weyburn, Saskatchewan. I looked for the definition of a clergyman and found he is a man who is invisible six days of the week and incomprehensible on the seventh. I have had some difficulty to relate the definition to the occasion because I am quite sure that our speaker would not choose to be invisible on difficult days and no one can suggest he is incomprehensible unless he chooses to be so.

The drought and the depression of the 30's had a lasting effect on his political philosophy and subsequent career. He was defeated in '34 for a Provincial seat which was a lucky thing for him because he was elected to the House and remained there until '44 when he assumed the leadership of the CCF party in Saskatchewan, and during the next 17 years he led the party through five successful elections. It was on his recommended measure that a number of the medical schemes were finally passed by his administration in the field of private industry. In 1961, Mr. Douglas was elected Federal leader of the party and resigned his Provincial premiership. Although his party was elected he was defeated in his riding, and when the press asked him how he felt when he was defeated he said, "I will just lie down and bleed a while and get up and fight again." I don't know how much he bled but he was elected immediately afterwards again and he has represented that riding without defeat ever since. With 21 constituents in the present House and a minority Government in office his position is one of more power and responsibility. I might say a number of his most able lieutenants are Toronto men, and his posture in the coming sessions will be observed with the most intense and anxious interest. From time to time in the heat of the campaign one might have felt Mr. Douglas was not entirely enthusiastic about Bay Street and even that more sanctified area St. James Street. However, after the events of last summer and when he gets to know us he will find we are not as bad as we are painted, we couldn't be.

Now, may I introduce the Honourable T. C. Douglas, leader of the New Democratic Party and a dedicated servant of the Canadian people within the British Commonwealth of Nations.

MR. DOUGLAS:

Gentlemen, head table guests, and members of the Empire Club of Canada, may I first thank you for your very kind invitation to be here and to say how much I have enjoyed my visit up to now. I wish especially to thank your President for his witty and informative introduction, but he missed one part of the history of my family. Apparently I had another ancestor who was also a James Douglas, who was a member of the Edinburgh City Council. He was noted for being a wit, most of my ancestors were just half wits. He was the only one on record noted for being a whole wit. He was already noted for having a rather sarcastic way. The story concerns an American millionaire who was coming to Edinburgh. They were going to give him the freedom of the City and following the ceremony they were going to have a banquet which the American was going to pay for. When he saw Douglas was going to be present the American said, "If Douglas is going to be there I won't go, he'll have some wisecrack to make." The Lord Mayor went to see Sir James and asked him to confine himself to one remark. A Douglas would do anything for a free meal including going to the Empire Club and he agreed. The meal was a great success. The main dish on the menu was a chicken pot pie of which the American consumed large quantities. After the meal was over the American turned to the Lord Mayor and said, "I must apologize for eating so many of those chicken pot pies." "I ate almost as much as Sampson did when he slew the Phillistine," and Sir James replied, "And with the same weapon, the jawbone of an ass."

There are so many things I want to say I'm not going to spend any more time on preliminaries. Last summer with a Speaker of the House of Commons and Senator Croll we spent a month in the two countries, the Soviet Union and Czechoslovakia, following which I met my wife in Belgrade and we spent another two weeks in Yugoslavia.

I would like to talk to you about what it is like behind the Iron Curtain. I would like to preface my remarks by saying two things; that no one on the basis of six weeks ought to pose as an authority on or speak with any definiteness about what is going on behind the Iron Curtain. This is an area too complex for anyone to speak on with any assurance. I can give you my impressions, but they may not be the same impressions that were received by other members of the delegation. The second thing is that the Soviet Union particularly is a country which is very easily misunderstood. I could speak to you for an hour about some of the good things in the Soviet Union and you would go away saying this is a Utopia, and I could speak to you about the deplorable things and you would go away saying this is a terrible country in which people have to live. The fact is both of those statements would be true. I spoke to a meeting in Westminster, British Columbia, and I said the Soviet Union was far ahead of us in economic planning, in housing and city planning, but in consumer production, services, industry and agriculture they were two or three generations behind us. The Press simply reported the first half of my statement, so I am on record as saying the Soviet Union is far in advance of us in economic planning, city planning and housing. I can understand now why different people can come back and write articles that are completely and diametrically opposite to each other about what is happening. I think the other thing as a preface to my remarks is that one can't judge these countries by comparing them with Canada or the United States or any part of the Western world. One has to judge them in the light of their own history, one has to compare them with what they were rather than with what we have.

One of the leaders of the Government in Yugoslavia, when I was telling him there were certain places I wanted to go – not the best places, I didn't want to be taken on a Cooks tour – he said, Mr. Douglas, you can go anywhere, we will take you any place you want to go. We are not ashamed of our poverty. You have to remember in Yugoslavia they have a capital income of $500.00 compared to your $2,000.00. This has to be measured in the light of the fact that in '45 it was only $150.00, and for 1970 we think it will be $800.00. You have to compare the standards today to our standards in the past.

The first thing I would say is that I was strikingly impressed with the economic planning and the city planning, and many of the health and welfare programmes we saw on the other side of the Iron Curtain. Their economic planning has been directed in the main towards increasing production, towards replacing the thousands of factories that were destroyed during the War, and the great number of homes that were demolished. Their planning has been directed to building homes to house the people who were left homeless following the War. In terms of economic planning they have made tremendous progress. I was impressed in the under-employed and under developed areas where they have deliberately moved in new industries into those areas. There is an area east of the new City of Rostovi. Rostovi had been badly bombed in the War, there is a great iron and steel and chemical complex to provide employment and to make use of the resources of that area. They have spent greater amounts of money in the under developed parts of the country and less in the highly industrial developed areas. This has resulted in a more even growth rather than having parts of the country overflowing and parts of the country depressed. Their cities are scrupulously clean, and although there is nothing like the automobile traffic we have, when they do get it they will be able to cope with it. Their cities have been well planned and well built.

I think it was Senator Croll who made the very succinct observation when he was asked what was the most impressive thing about the Soviet Union he had seen. He said he was most impressed by the number of young men and women in positions of responsibility. There was a man who was the head of a University in a city of 40,000 people who was only 40 years of age. There was a large factory headed by a young man of 35 who started as a worker in a rolling mill, who was later sent to University to become an engineer. But it is in the municipal planning field that the young people have become most apparent. Drawing on my memory we didn't meet a single male over 35, certainly not over 40. These are all young men and women planning their cities with attractiveness, imagination and great skill. There are signs of housing everywhere you go. They have tremendous problems of housing. Moscow has grown from a population of two million before the War to six and a half million. Other cities are facing the same problems. They face the same difficulties we had over the last forty years of people moving from the rural areas to the urban areas. Their housing is well planned and beautifully located, they have made homes available for hundreds of thousands of people and at rents people can afford to pay. A rouble is roughly equivalent to a dollar, maybe a little better and a kopek is equivalent to a cent. The average worker receives from 150 roubles to 250 roubles. I'm not speaking of the highly skilled worker but of the average worker. A man will pay for the rent of a small two bedroom apartment, seven roubles, and another seven or eight roubles for light and heat and services in the apartment block. So, for fourteen or fifteen roubles he has his basic living accommodation, and they are making great progress and by our standards some of the housing is fairly attractive. As one man said to me in Belgrade through the interpreter, "This may not look like a very grand house but when you realize I was born in a hut with a thatched roof and a dirt floor, and half the house the family lived in and the other half the livestock lived in, this looks like a palace."

Their educational system is entirely free as far as a student has a capacity to go. I don't think there is any doubt that the secret of any success they might have in this area of the scientific revolution is due to what they are doing in the field of education. I was impressed not only with what they have done in the sciences but I was also impressed with what they are doing in the field of art and culture. We saw their ballet, their opera and their circuses, all of which are state subsidized so people can afford to see a first class ballet. We saw the Leningrad Ballet do Spartacus. The average person would pay 50 kopeks. In this way they are providing entertainment of a very high quality to ordinary people and they have managed to eliminate some of the hucksterism which has often associated itself with entertainment in our society.

I want to take the time to discuss their health and welfare organizations. The one thing I admire is their success with the problem of a multi-racial society. In Czechoslovakia there are two main races, the Czechs and the Slovenes, and when you go to Yugoslavia you have 13 different nationalities, the Croats, Serbians and Macedonians being the main ones. Here is a country with the same population we have and with 13 different nationalities who have in the days gone by been sworn enemies with long histories of blood feuds and they have succeeded in ironing out their differences. Some of the old resentments are still there, but they have built an atmosphere of co-operation and a recognition of the equality of all races that has gone a long way to build up national unity. There is, as you know, in the USSR 15 republics and 4 autonomist republics. I didn't realize the amount of jurisdictional power these republics have and how different they are from one another; different as day and night between Georgia and the Ukraine and even more different when you come to Bella-Russia, but they are working it out and we can probably learn a lesson from them. I admit this is due to a large extent to the fact that you have a tightly disciplined Communist Party which runs like a steel thread through the whole structure and is able to keep them in line, but this is not the whole answer. Part of the answer lies in the fact that they have accepted the equality of all men irrespective of race, creed or colour.

So much briefly for the things I admire. I think on the other hand one must say that their consumer industries, their service industries and their agriculture are at least two or three generations behind ours, consumer goods are scarce and in some cases completely unobtainable. Goods that are obtainable lack variety and some goods by our standards would be considered shoddy. Food is atrociously expensive and in many of the stores the goods that are there are not necessarily the goods people want. Now, the thing that impresses you when you talk to people who have lived there for some time, is that here is a country that has made great strides in technology, they have put a Sputnik into orbit but you can't buy a pound of nails to repair your front doorstep. They make television sets but there is no serviceman to service it. You can't go to a store and buy a tube, there are no tubes, so your television set of which you are so proud just sits there useless because it lacks one little tube. You can either buy another set or do without television. I had a little accident while I was there, I got my finger caught in the car door. It wasn't a serious thing but they insisted I go to one of their clinics. Here was a very well equipped clinic. I was through many clinics all with excellent equipment, but when they came to bandage it up there was no adhesive tape. There was fine equipment worth thousands of dollars and you couldn't get a band aid for love or money, and the reason in my opinion is that this is a highly centralized bureaucracy which has established a state controlled corporation which buys from the factory and places orders and sends to the stores things they think the stores should have and what they think the public wants instead of allowing the store to order the things the consumer has asked for, but this is being corrected.

As you know there has been a great change since Kosygin took over. He was an outstanding economist and he was fired twice by Stalin. The first thing he did was to take 500 of their biggest factories and let them deal directly with the stores. These factories have been taken out of the control of the State controlled corporation so they are moving towards a consumer oriented economy. I said a few moments ago that their service and their maintenance is poor. These excellent housing projects are going to be useless in ten years. They have no idea of maintenance. They build a beautiful apartment block and if something goes wrong with the plumbing, and it overflows, if a piece of plaster falls, nobody fixes it. They have no idea of establishing maintenance and service. This is something we were able to give them our impressions of and they were very glad to have a frank comment and invited it, and believe me, they got it.

Another thing is their agricultural system which has not been a success mainly because their State farms and to a lesser extent the collective farms have been under too much centralized, bureaucratic control and the result is they have not always produced things they should have produced.

They had too much manpower in relation to their production, but now they are allocating specialists to their State farms. We visited a number of them which were producing everything on that farm from fruit to grain to livestock to dairy products. We suggested to them they could have a fruit farm, a grain farm, a livestock farm and use mass production methods. That is what they are going to have to do. Their food and consumer goods are expensive because their State controlled corporation buys from the State farms and sells to the State stores at a markup and that markup accounts for 85% of their national revenue. As I pointed out to them their markup was a hidden indirect tax. There is virtually no income tax which would be a marvellous place for Bay Street, they would love it. There is very little income tax but 85% of the revenue comes from these markups which are virtually an overall hidden sales tax with no exemptions whatsoever. I think that is the most regressive form of tax and a most regressive way to finance an economy. In my discussions with their economists they were never able to give me any information that would refute that point of view.

I think their failures are due to three things. The first failure is due to the fact that they have spent the last twenty years trying to rehabilitate the country. One has no idea of the terrible havoc which the Nazi invasion caused in those countries, and it has taken them years to rebuild the towns and cities and their factories and homes. The second reason is the type of centralized bureaucracy which has taken from the private individual and the local community the decision making power which they ought to have. I am speaking now of the Soviet Union. In Czechoslovakia they have gradually moved some distance toward more private initiative and control. When you get to Yugoslavia, after Tito broke with Stalin in '48, they have moved almost completely away. There is a middle class growing up in Yugoslavia and they have a very large degree of private control and co-operative management and ownership free from any centralized bureaucracy. The third reason they have had difficulty in these fields is because in a one party Government you don't have the opportunities for criticism and debate, so that when the bureaucracies make blunders there is nobody to point out the blunders at the time they are making the blunders and nobody to attack them after the blunders have been made. It has to be done behind closed doors. Yet it is happening. One of the top officials in the Soviet Union, when I was pointing out to him we used a tiller, combines and have different methods of tilling the soil from what we had 40 years ago, said, "I know that if Khrushchov had spent one million roubles studying how you North Americans coped with semi arid areas we could have saved the five hundred million roubles we threw away on the virgin land project." One of the officials said, "We have a story our farmers tell to one another, in which they say that the Government of the Soviet Union should get together with the Canadian Government. We should get from your people some of your agricultural technology and in exchange we will give you our agricultural plan. The result is we will have more food and you will get rid of your surplus." I said to him, "What would happen if you told me that story ten years ago, and he said, "I would be on my way to Siberia." This is how the control is relaxing. In the Soviet Union it is relaxing a bit. In Czechoslovakia it has relaxed a lot, and in Yugoslavia it has relaxed almost completely. So that you have both State and Federal Parliaments who have changed Government legislation and amended Government legislation so that this great centralization has disappeared to a very large extent in Yugoslavia and great changes are going on in both Czechoslovakia and the Soviet Union. But I think the one thing you have to remember is whenever you suppress discussion and criticism not only does society lose but even the Government loses something because it has no way of measuring its own success and being made aware of its own mistakes.

May I say one thing in closing because I don't want to keep you too long. I think Senator Croll would agree with me in what I'm going to say. The one thing that impressed me more than any other thing is that these people have a very deep longing for peace. When you realize in Czechoslovakia one and three quarter million people were killed, three and a half million in Yugoslavia, a country of only twenty million people; twenty-two million killed in the Soviet Union. There are one million in Prague. In the synagogue there were row after row of names of 73,000 Jews in the City of Prague alone who were put to death in the gas chambers. This has left deep wounds. These people have everything to lose and nothing to gain by another War. I'm not talking about the Government propagandists, I'm talking about the farmers, the workers and the students and the professors. These people want peace. They have two fears, the first is fear of a remilitarized and nuclearized Germany. They are terribly afraid. Two things happened that made them afraid. One was an unfortunate television speech by Herr Schroeder. He wound up his speech by saying we would be prepared to forego our demand for nuclear arms if we were given back our pre-war territories. You can imagine what that did to the Czechs and Yugoslavs. The other thing is that a new stamp was put out in Germany, not East Germany, and on the new stamp was a map of Germany with all its former territories restored to it. It sent a cold shiver through the other countries. They are terribly afraid of the military forces in Germany; that the Prussian spirit will return if given nuclear arms.

The other thing they are afraid of is China. They are afraid that if they become embroiled in a war on the western front China will seize that opportunity to take Outer Mongolia and Siberia. They are afraid of a war on two fronts. They want peace. One of the things that stands between the West and the countries on the other side of the Iron Curtain is the situation in Viet Nam. The question of Viet Nam was raised again and again. I had a little altercation with Mr. Mikoyan because he was twitting us about the fact we hadn't been aggressive enough about bringing peace in Viet Nam. I pointed out to him they had just cold-shouldered the Commonwealth Prime Minister who had offered to send a delegation to seek a *modus operandi* between the disputants. But the fact does remain that the Soviet Union has not put forth all its efforts to solve the problem in Viet Nam any more than we have, largely because they are afraid China will accuse them of being lackeys of the Imperialists. Our reply to them and to the Chinese was that we and they should be partners together in trying to bring the disputants together. I think we must do that. I think this is the greatest obstacle standing between a better understanding with the Chinese people on the other side of the Iron Curtain and on our side. I think I shall carry with me the rest of my life that one scene at the airport when Senator Croll had to catch a plane. It was at night, we were at Kiev and he had to catch the plane for Leningrad. The plane didn't arrive on time and they stayed there with us and refused to leave until the plane came. It was one o'clock before the plane arrived. We stayed on the tarmac, each of us making speeches. I found a Ukrainian poet who had translated the poems of Bobby Burns. I shall always remember these several hundred Ukrainians who were deeply moved by this farewell. I quoted my favourite poet to them and it was translated by the Ukrainian poet. They were the words of Bobby Burns, the words of a Scottish plowman that are as appropriate today as they were when he wrote them.

> The let us pray that come it may
> As come it will for all that
> That Sense and Worth o'er a' the earth
> Shall bear the gree and a' that
> For a' that and a' that
> It's coming yet for a' that
> That man to man the world o'er
> Shall brothers be for a' that.

Thanks to the meeting will be expressed by Mr. Allan F. Lawrence, Q.C.,

DECEMBER 9, 1965

Canada's Health Charter: Its Implications

AN ADDRESS BY The Honourable
Emmett M. Hall, D.C.L.
JUSTICE OF THE
SUPREME COURT OF CANADA

CHAIRMAN The First Vice-President,
R. Bredin Stapells, Q.C.

MR. STAPELLS:

How many of you know the terms of the Physician's Oath? Hippocrates, who I remind you lived in the fourth century before Christ, formulated this lofty ethic which is, in part, as follows:

> "I will use treatment to help the sick according to my ability and judgment, but never with a view to injury and wrong doing. I will keep pure and holy both my life and my art. . . . And whatsoever I shall see or hear in the course of my profession in my intercourse with men, if it be what should not be published abroad, I will never divulge, holding such things to be holy secrets."

This oath and its deep meaning is the problem doctors face when a plan for public health is debated.

And again, Hippocrates, philosophizing on the role of the doctor, said,

> "For where there is love of man, there is also love of art. For some patients, though conscious that their condition is perilous, recover their health simply through their contentment with the goodness of the physician."

Can the personal, intimate relationship between a doctor and his patient and the voluntary doing of good beyond financial reward be maintained for the good of society under a National Provincial Health Plan. On the other hand, can this country countenance the economic and social loss arising out of illness which the co-ordination of finances and planning might avoid. That is the problem before us today.

But in June of 1961, when Mr. Justice Hall was appointed chairman of the Royal Commission on Health Services, the true shape and dimension of Canada's health problem was far from clear. Lawyers are notorious for attempting to solve problems of which they may have little knowledge. It cannot be said, however, that a man who has been a leader of the Saskatchewan Bar, Chief Justice of that province and now one of Her Majesty's Justices of the Supreme Court of Canada is lacking in a broad human knowledge. Further he has been closely associated with education as a member of the Senate of the University of Saskatchewan for many years as well as with the secondary education field as a trustee and in good time as President of the Catholic School Trustees of Saskatchewan. To complete his qualification, Mr. Justice Hall laboured with the problems of hospitals when he participated in the reorganization of St. Paul's Hospital Advisory Board.

The report of his Commission has now been published and for a look at Canada's Health Charter and its implications, it is my pleasure to introduce to you The Honourable Emmett M. Hall, D.C.L., Justice of the Supreme Court of Canada.

MR. JUSTICE HALL:

I am here because it was my privilege to have been Chairman of the Royal Commission on Health Services and to have worked with a small band of dedicated colleagues assisted by able consultants and by research scholars of the highest quality. Together we proposed that "as a nation we now take the necessary legislative, organizational and financial decisions to make all the fruits of the health sciences available to all our residents without hindrance of any kind", and to achieve this goal we formulated a "Health Charter for Canadians".

I am not here as an advocate to defend the recommendations of the Commission. That is for others who may be disposed to do so. The Commission spelled out as best it could the philosophical bases of its approach to the task assigned to it and the facts and figures upon which it made its proposal for a national-provincial programme. What is written is written and I can neither add nor take away from what we said – nor have I, in the months that have elapsed since the report was published, felt any inclination to do so.

The recommendations must stand or fall on their merits judged objectively in the light of present-day needs and possibilities and divorced from all selfish or sectional considerations, whether economic or political in their nature. Nor is it my purpose or function to enter into any discussion of medical economics though I must say that I regard Medicare, important as it is, as but a segment of the whole health services complex and I think I may be permitted to express the hope that governments may not be led into regarding this segment as dominating the whole field or as exhausting their functions and responsibilities in the health services field, for that would be an error fatal to a proper understanding of what one might call the grand design for Canada.

It is said and accepted that our citizens are Canada's greatest asset. The intense concern about education and the magnitude of the expenditures being projected in the field of education at all levels, are a realistic recognition of that fact.

But education by itself will not give Canada the citizens it must have to achieve the goals this country is capable of attaining, not only for its own citizens, but for humanity at large. The citizen must not only be educated, he must be healthy physically and mentally, otherwise much of the vast sums spent on education will not bring the rewards in human well-being and national prosperity which their expenditure are aimed to achieve. This co-partnership between education and health services was expressed in our report as follows:

> The right to education is one now universally recognized in Canada. It is an entrenched right which no one would dare to challenge. It is now beyond question that all our young people must be better educated and more competently trained if Canada is to survive in this highly competitive age of specialization and automation. It is equally true that health services are as much an investment as education. Health services and education must now be regarded as twin endeavours, advancing mankind. Neither will attain its full potential for good if one is allowed to lag behind the other. Progress in one must be paralleled by progress in the other. The fruits of this progress must be available to all.

There cannot and must not be any question of conflict or of priority between the needs of better education and those of good health. The economy of Canada is strong enough to carry concurrently these two essential companion services. A study of expenditures, personal and public, in other fields will convince one of that.

It may not be inappropriate to recall when Dr. Egerton Ryerson was laying the foundations of a universal elementary tax supported school system for Ontario, his proposals were as vigorously resisted by certain vested interests as damaging to freedom and to free enterprise as are the proposals for a universal tax-supported health programme being resisted today by some who fear needlessly that their world is being endangered.

I do not wish to burden you with statistics but a few figures will be helpful.

Canada's population is now 20 million in round figures. It will increase by about 2% a year so that by 1971 the population will be 22 million and 35 million by 1991. GNP will rise to 56 billion in 1971, higher if the present rate is maintained, particularly when we realize that the estimate for 1965 is almost 51 billion.

465,767 children were born in Canada in 1963. Of these, according to statistics, regarded as reliable, about 3% or some 14,000 were or will be found to be mentally retarded, some to a great, some to a lesser degree. There are about 8 thousand blind children in Canada and an unknown but substantial number who are deaf, and thousands of others otherwise physically disabled; those with cleft palates, with hare-lips, with missing or withered limbs, the spastics, those with cerebral palsy, muscular dystrophy or cystic fibrosis and still others. These groups were always very much in our minds as we tried to visualize what ought to be their future in a health services programme for Canada. For all of these the Charter implies a new world of well-being and usefulness. For those with cancer, those who have or may develop heart disease, for the tuberculosis patients, it implies an impetus to research which we all hope may lead to spectacular results.

It is estimated that in 1963, 100 million man-days of labour were lost to the labour force of Canada through illness with a consequent economic loss of $1,630 million or about 3.8% of GNP for that year. Now, not all of this loss could have been prevented but it is a staggering loss which ought to cause the nation to seek out ways to reduce it. The economic loss due to strike action in the labour force in 1963 was 917,140 man-days. That was less than 1% of the economic loss due to illness to the labour force in the same period. These two sets of figures are unrelated, but thought provoking nonetheless. In the same year, Canadian school children, in Grades 1 to 13, lost 4.4% of all pupil-days because of illness. I have not been able to calculate this loss in economic terms but you will appreciate that it is one of major proportions.

In 1961, Canadians spent approximately $1,724 million on health services or 4.61% of GNP with the results I just mentioned. Those results are not because our health services in Canada are of low grade or inferior. They rank amongst the best in the world.

In the period since 1961, Canada's population has been increasing at about 400 thousand a year. To maintain the 1961 physician-population ratio means that the number of physicians in active practice in Canada must go up by about 460 each year. We are going to need 460 new active practitioners each year solely from the increase in population. So it will be recognized that the extra 460 required each year is not going to be due in any way to the proposal for a universal health service. This same reasoning applies to dentists, nurses and all other health personnel who labour in the health service field. You hear a great deal about the increase in health costs. That increase is inevitable because the annual cost of health services in Canada and particularly in the Toronto area is going to rise in absolute terms from sheer weight of numbers alone and per capita as the cost of all other goods and services also rise, with or without a national-provincial programme, but of course, the increase by 1971 would be 400 million higher if all the recommendations are implemented which would mean 5.1% of GNP at that time as compared to 4.61% in 1961. However, if a tax supported universal programme is put into operation, there will be a major shift from the private to the public sector of the economy relieving the individual on the one hand but requiring more revenue from taxes on the other, although the overall total remains substantially the same but the risk is distributed more equitably.

The Charter, which is the foundation on which the recommendations of the Commission rest, has many implications. The most obvious of these are, of course, in the field of health care, and are spelled out in the report. There are other implications, however, which although not so obvious, are, nevertheless, important for us all; and it is some of these which I first wish to bring to your attention.

The major concern of Canadians today is national unity; the drawing together of our fellow citizens in an agreement on national aims for which we all strive in common. The debate concerning what these aims shall be, on the surface, may seem to accentuate our disagreements and diversities, but I think this view tends to overlook the basic feature of this dialogue. Any debate involves discussion of diverging and sometimes conflicting points of view, and on a national level this is particularly true in Canada with its diverse ethnic cultures and its regional, social and economic patterns. But surely, the fact that the debate takes place means that there is a degree of unity which we tend to overlook; a level of agreement that the discussion is worthwhile and that national aims arrived at in a free and open discussion are worthwhile. Surely, too, because of the social diversity which we accept as a national characteristic, the debate will embrace a wide range of viewpoints, thereby ensuring that the final agreement is not imposed from above.

Some may wish that the national purpose as embodied in programmes of social and economic action was more easily accepted without the seemingly lengthy and unnecessary debate. Those who hold those views contrast the fate of these programmes in Canada with the course of similar programmes in the United States. They see President Kennedy's "New Frontier" and President Johnson's "Great Society" as the modern extension of American revolutionary principles. These seem to symbolize the American way of life. But Canada is not a carbon copy of the United States and those who hold these views show an ignorance of the way in which history has shaped our society. Unlike the Americans we did not make the sharp break with the past; we determined to build our nation through an evolutionary movement, accepting as part of the evolving social fabric a pattern of ethnic, regional and sectarian interests. This is surely the more difficult of the two roads to nationhood and is as much a great experiment as the road chosen by the United States.

These remarks on the nature of Canadian society are a necessary preliminary to a discussion of the implications of a Health Charter for Canadians. The Charter cannot be carried like a flag into battle, thereby arousing a high degree of emotional fervour. It had to be debated in our typically Canadian fashion, for this is the way we reach agreements from which our national aims emerge. The debate goes back to the 1920's so that today there is general agreement on the principles embodied in the Charter which now becomes one of our national aims, thereby promoting our national unity.

The Charter, then, is not only a statement of principles governing our activities in the field of health, it is a contribution to national unity, something tangible, something to work for, a common denominator embracing our different cultures and ethnic backgrounds, knowing no provincial boundaries in its humanitarian concepts, nor excluding any Canadian from its protective shield, and not requiring the melting pot of uniformity. Our search for agreement, such as that embodied in the Charter, based on cross-cutting lines of diversity, although slow and difficult, serves to protect us from the many pressures to uniformity with which our technology assails us. Modern industrial man, be he a citizen of the United States, Soviet Russia or Britain, lives out his working life in an industrial environment which patterns his working activities in a distinctive and uniform manner no matter what his nationality, and this uniformity, in turn, tends to bring with it uniformity in behaviour and attitudes. But in Canada these pressures for uniformity are offset by the opposing tendencies to diversity, which lessen the levelling effects of industrialization and the emergence of a mass society with little, if any, uniqueness. The Health Charter is an example of the development of a national consensus which embraces regional, ethnic, economic, cultural and other differences. It serves to show other industrial nations how the individual can be supported in an industrialized mass society. Canadian society allows for diversity, and in the evolution of our national aims this diversity is a central feature.

Any province, or any country for that matter, could take the principles embodied in the Charter and apply them according to their particular regional and cultural situation. That is why we have stressed in the report that the Health Services Programme need not conform to a rigid national pattern. It allows an individual province to arrange its programme according to its prevailing conditions, but the basic ends of the programme must be kept clearly in mind. As we have stated, ". . . to qualify for federal support they need to provide, in whatever manner may be chosen, universal coverage in the province regardless of age or condition, or ability to pay, upon uniform terms and conditions, and to adhere to the basic inclusive features of each of the programmes recommended."

There is another possibility here which is worth noting. It may be possible for groups of developing nations, and I am thinking particularly of the new African states, to co-operate in health programmes, by agreeing on the goals of the Charter and then applying them in the individual countries concerned. This is surely a major implication of the Health Charter. The Canadian experience in seeking to apply national, economic and social policies within a pattern of regional and provincial political, social, economic and cultural differences is surely an example which these developing nations can study to their advantage.

I would like to make another point concerning the implications of the Health Charter. Too often in the formulation of particular government policies affecting our economic and social well-being there is an emphasis on the goals of the specific policy which in so many cases are specified in economic terms. This it true even in the field of health. This emphasis on economic goals might make one believe that all our values are strained through the bars of the dollar sign. The Health Services Programme enunciated by the Commission, however, is based on a clear statement of underlying principles embodied in the Health Charter. Perhaps we can hope that this will serve as an example to those who formulate policy so that in the future they will make explicit the values which guide them. Such explicit statements of underlying values would serve to emphasize the basic consensus which binds together the diversity which is Canada.

The Charter has implications of a national and local nature as well as implications of an international nature. In the international field it implies that Canadians will give more than lip service to the principles of the World Health Organization to which as a nation it subscribed. Those principles set out in the preamble of the WHO Charter are as follows:

> The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition.
>
> The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest co-operation of individuals and States.

On the Canadian scene it aims at health services of an ever rising quality. That quality will be achieved by greater support of medical, dental and other institutions; by greater support of research, all of which would be co-ordinated "to make available to all Canadians the best possible health care which we can now foresee, but above and beyond that it would provide foundations upon which the genius of Canada's scientists would flourish and open up vistas of better things to come as science proceeds to uncover the secrets of disease and to discover new methods in the age-old struggle to conquer it."

Co-ordination means planning at all levels of government. The haphazard approach heretofore followed has to be superseded by planned co-ordination in order to get the best results in a field where first-rate research scholars are at a premium and the money to support needed research projects never sufficient. Accordingly, in this area and at an early stage the Charter envisages:

(1) *A Health Planning Council of Canada* appointed by government from panels recommended by professional bodies, such as doctors, dentists and nurses and from voluntary agencies, from business, labour and farm organizations.

(2) The expansion of the existing Medical Research Council with the addition of outstanding persons from the other health professions under the name of the *Health Sciences Research Council*, and as so reconstituted to be the principal adviser of the Government of Canada in the planning and support of health research and the allocation of research funds, its services to be available to provincial governments, voluntary health organizations and universities.

A host of new disciplines has been added to the traditional health team: the social scientist, the social worker, the architect, the administrator, the statistician, to mention a few, all must participate in the study of health and health services.

Personally I am confident that the quality of our health services will rise and continue to rise. The dedicated men and women in the faculties of medicine, dentistry, nursing and the other disciplines will continue to reach for improvements and the responsible leaders of the professions will set standards of proficiency which will, in whatever form our

National Health Service take, redound to the honour of the professions and the better health of Canadians.

The fundamental implication of the Charter is that of Freedom; services to be rendered by free, independent, self-governing professions, and those seeking health services are to be as free to choose as they have always been. The physician continues in private practice. He renders the service which, in his judgment, his diagnosis indicates. The state does not interfere in any way with his professional management of the patient's condition, nor with the confidential nature of the physician-patient relationship. Only the manner of receiving payment is altered. Moreover, any physician is free to practise independently of the programme, either wholly or partially. There will undoubtedly be some patients who, though covered, will elect to make private financial arrangements to avail themselves of the services of such physicians. In this, you will see similarity with the right of a parent to send his child to a private school and to pay the tuition fee to the private school even though he is entitled to send his child to the tax supported elementary or high school system without charge.

Another essential in this context of freedom is the opportunity for voluntary organizations to play their part, along with private practitioners, government and local bodies, in the future organization and provision of health services.

The Charter foresees the structuring of health services to bring to our Indians and Eskimos health services, within the limitations of geography and climatic conditions, of a standard equal to that being provided to other Canadians.

The Charter envisages a restructuring of the formation of nurses making the qualifying of nurses more of an educational experience and the calling a truly professional one.

Home Care programmes would be fostered to relieve hospital congestion and waiting lists.

It foresees a children's dental programme without which the dental needs of Canadians cannot be adequately met.

It would bring optometry to the campus of the university making that calling a profession within and as part of the traditional health team.

It would place an emphasis heretofore lacking on the importance of prevention in the whole health field and on rehabilitation following illness or disability.

It would make the pain-relieving and the life-saving drugs available to all at a nominal cost and free to all requiring long-term therapy.

And to achieve these implications, it sees the physician and the dentist adjusting to the new demands both in specialization and general practice and it sees an up-grading and expansion of medical general practice so that the status of the general practitioner will be assured and the personal and family physician relationship maintained.

So in a very special way the Charter holds out new hope to the aged and infirm, to the crippled, the retarded, the blind, the deaf, to those destined to develop cancer or heart disease. It holds out the hope that by a proper examination to all newborn babies, fewer will become blind; that all those with hearing defects will be recognized and treated as soon as possible; that there will be a mandatory test for P.K.U. (Phenylketonuria) and so permit a child to escape its effects and a lifetime of mental retardation; that those retarded will be given every opportunity to have as normal a life as may be possible and by providing an intellectually stimulating environment for these children during the first 2 or 3 years of life perhaps improve their I.Q. levels by as much as 30%, thus dispelling the theory held until now that I.Q. levels were unchangeable.

Then there are the mentally ill. To realize the magnitude of this problem one needs but to recall that today in Canada some 70 thousand patients are in mental or psychiatric hospitals and it is estimated that some 10% of the population or about 2 million persons may be suffering from psychiatric and emotional disorders of varying degrees. The implications of the Health Charter for these—those now in institutions and those who may need treatment–is that there will be an end to the distinction made towards those who are mentally ill and those who are physically ill; that there will be an increasing awareness of the possibilities of improved treatment; a more widespread understanding of the tremendous cost to the economy and to society resulting from the lack of contribution of the mentally ill and the length of their treatment and an end to the walled asylums in which hope died and human beings vegetated.

And lastly the Charter implies a nation awakened to the dangers of water and air pollution, to motor vehicle and other accidents; to alcoholism and to drug addiction.

May I close with a quotation from Volume II of our report. In the three and one-half years of our study, we probed the problems of Health Services in Canada more widely and in greater depth than had been done before. We believe we glimpsed the vision of what could be; of what Canada could do in the coming decades, holding to what is good in our present medical and health practices but not fearing to accept new ideas and new methods:

"We have in Canada a land of immense resources. We must use them for the good of all Canadians. We have here an opportunity to build upon the northern half of this continent a nation of educated and healthy people. Nature itself favours such a possibility. Admitting that climatic conditions in the northern areas are often forbidding, nevertheless the country as a whole is singularly free of those hazards to good health to be found in so many parts of the world. It is for us so to organize our resources in harmony with our favoured situation that Canada may become a showplace of man's humanity to man. We will rightly stand condemned by history if we fail to do what our people need and what our resources and our know-how make readily possible."

Thanks of the meeting were expressed by Mr. Alexander Stark, Q.C.

DECEMBER 15, 1965

Christmas Meeting

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Ladies and gentlemen: On behalf of the board of directors,, the members of the Empire Club of Canada and, indeed, everyone here today, may I extend a special welcome to His Honour the Lieutenant-Governor and may I say how sorry we are that his charming wife, Mrs. Rowe, could not be present with us today.

Christmas is a family time and we of the Empire Club are particularly aware of this since our object is, of course, to maintain the family of the Commonwealth and Canada's place in that family. The Head of this family group is the Queen whose Royal and Gracious Mother we had the great privilege of entertaining in June this year. We live in changing times and though change is not necessarily progress, nevertheless it is inevitable and an organization such as the Empire Club of Canada must change as it has very substantially over the past sixty years of its existence. One thing, however, does not change and that is our loyalty to the Queen whose charm, dedication and devotion inspire all of us and whose family life sets an admirable example. You, Sir, as Her Majesty's representative in Ontario are doubly welcome; first, of course, you are our Lieutenant-Governor, discharging the duties of that post with the grace we have come to expect. In addition, we know you as a man generous of your time and substance who, with your charming wife, enjoys respect and affection throughout this grand old Province of Ontario. It is my great pleasure to welcome you here today and to thank you for the great honour you do the Empire Club family on this Christmas occasion.

(His Honour the Lieutenant-Governor made a suitable reply.)

(Presentation to Past-President.) Your Honour, Mr. Commissioner, honoured guests, ladies and gentlemen–you will have observed, I am sure, that one of those present at the Head Table has neither been introduced nor received any mention at all–I refer, of course, to the Immediate Past-President, Colonel Bob Hilborn, whose term of office saw the Empire Club of Canada reach a position in this community which has never previously been attained. During his year of office, arrangements had been in train for the visit of Her Majesty, The Queen Mother, to Toronto and although Colonel Hilborn's tour of duty expired before this was finally arranged last June, he cheerfully carried the tremendous responsibility of acting as liaison officer between the Royal Party and the Empire Club and, of course, was equerry during Her Majesty's visit. Supported by the excellent committee, headed by Colonel Legge, his natural charm, tact and genius for organization resulted in that brilliance which characterized the dinner tendered Her Majesty on June 24th of this year. When one considers that, in addition, he was responsible for liaison with Her Majesty's Regiment, the Toronto Scottish, and when one remembers that he has his own business to care for and is a family man with family responsibilities, the contribution made by Colonel Hilborn to the Club must be assessed as one of the greatest ever made by a President in our long history.

On behalf of the board of directors and the members of the Empire Club of Canada, I ask Colonel Hilborn to accept this illuminated scroll, signed by our Honorary President, His Excellency the Governor General, which records his period of service as President of the Club.

(Colonel Hilborn made a suitable reply.)

Your Honour, Commissioner Grinsted, honoured guests, ladies and gentlemen: On the first of July, 1865, William Booth founded the Salvation Army. From small beginnings in England a century ago this great organization has become an increasing power for good. The men and women of the Army have fought the good fight and continue, not only to preach, but to practise Christianity at all levels of our society. Certainly no other organization enjoys the universal respect and regard of the Salvation Army for whenever the battle for human souls is being fought, you will find the Army giving counsel to those who are troubled and comfort to those who despair. One hears many criticisms of many forms of religious activity and charitable endeavour but I personally have never heard anything but praise for the Salvation Army.

The Army has literally sung its way around the world and William Booth, on one occasion, said "The highest value for our singing after all has not been the mere gladness we have felt because of our salvation but the joy of pouring out the praise of our God." The choir we shall hear today is known as the "Danforth Songster Brigade" and has been in existence for 52 years. They come from all walks of life: salesmen, teachers, secretaries, carpenters, accountants, engineers; they also include officers of the Salvation Army. It is attached to the Danforth Branch of the Salvation Army, located on Logan Avenue just north of Danforth Avenue, and apart from a choir of some seventy voices, there is also a brass band of 35 members. Major Ivany is in charge of the church or corps which sponsors the choir; its conductor, Songster Leader Eric W. Sharp, has lead the brigade on highly successful tours of the British Isles and this year, as part of the hundredth anniversary's celebrations, the brigade visited cities across Canada, including Edmonton, Calgary and Vancouver. They have also visited Pittsburgh, Chicago, Detroit, and Newark where, in every case, they received the highest compliments.

Ladies and Gentlemen – the Salvation Army Danforth Songster Brigade.

JANUARY 13, 1966

Turmoil In Transportation

AN ADDRESS BY

Mr. R. A. Emerson

PRESIDENT AND CHIEF OPERATING OFFICER
CANADIAN PACIFIC RAILWAY COMPANY

CHAIRMAN

The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, distinguished guests, gentlemen – in 1871 the Province of British Columbia agreed to join Confederation – provided a transcontinental railway, linking eastern Canada and British Columbia, was begun within two years and completed within ten years. To make such a promise and to keep it were two quite different things and one disaster followed another with scandal and recrimination of every sort attending the early efforts to find a company to build the railway. By 1880 Sir John A. Macdonald was almost desperate and then George Stephen announced that his syndicate would build a railway for a cash subsidy of $26,500,000 and a land grant of 35,000,000 acres. Stephen was an industrialist born in Scotland with a record of successful railway operations in the United States; he was also at the time president of the Bank of Montreal. Although Macdonald did not know it at the moment, in Stephen he had found a man later described as "perhaps the greatest creative genius in the whole history of Canadian finance". In the following five years he would need all his genius!

Politics have not changed in the past 80 years and when, after much bickering, it was agreed that the railway would be built for a subsidy of $25,000,000 and a land grant of 25,000,000 acres, the whole arrangement was violently attacked by the Liberal opposition. The railway was described as a criminal absurdity which ought to be abandoned at once. It was pointless to build a railway through northern Ontario when the United States lines could be used to bridge the gap between the east and the prairies. After weeks of debate, the Bill was passed on February 1st, 1881, and Sir John A. Macdonald later stated that only Confederation gave him a greater sense of accomplishment.

However, while the Railway Bill was passed the road had still to be built. Times were not suited to the sale of railway shares and when in Christmas, 1883, the Northern Pacific Railway in the United States suddenly went bankrupt, the C.P.R. was in great trouble. Stephen was desperate, the Bank of Montreal had reached its limit and could advance nothing further. It was explained to Sir John A. Macdonald that the Bank was so heavily committed to unsecured advances to the railway there was a real danger of a bear raid on the bank stock itself. Finally, a letter by the Minister of Railways and Canals, supporting the railway's application resulted in the Bank making one more advance, although as it was disclosed much later a number of directors were opposed and predicted disaster–the loan was approved by the Bank's Board by the narrowest of margins. The Government again came to the rescue but a few months later George Stephen was forced to borrow £50,000 for the railway against his own resources while Sir John A. Macdonald was forced again to go to Parliament for further assistance for the C.P.R. In the spring of 1885 the situation was desperate–the Bank could advance no more money, the Government was reluctant to assist again and there were literally no funds for the payment of wages to the construction gangs. It was at this time that Stephen, with everything he possessed pledged in support of the railway, said to his friend, Donald Smith, "If the end comes, they must not find one dollar in our pockets."

No one could know that the future of the road was really being decided on the western prairies where Gabriel Dumont, the buffalo hunter, had fired the first shots in anger on 26th March, 1885. Superintendent Crozier, with his little band of mounted police and Prince Albert volunteers, were ambushed at Duck Lake and in a hopeless fight lost 25% of their men in half an hour, withdrawing as best they could with their wounded left on the field. The news of the disaster put Big Bear and Poundmaker, with their warriors, on the warpath and, wildly exaggerated, produced glaring headlines in New York and London where the railway had appeared on the verge of a successful refinancing programme. From that moment, as Donald Creighton puts it, "The fate of the railway depended upon a race between its creditors and the marching feet of the militia soldiers in the west." Sir John A. Macdonald no doubt knew that the Chinese character for crisis has two parts: the first signifying danger and the second opportunity. The speed with which the untrained, badly equipped militia–they had three different types of rifles, none of which would use the ammunition of the other, and apart from two batteries of Royal Canadian Artillery, were without the support of regular troops–moved to the battlefield proved the necessity of the Railroad and undoubtedly prevented the most powerful Indians, the Blackfoot, from following Riel and Poundmaker. It could be said that the Canadian Pacific Railway had won the West for Canada and Canada would now ensure the future of the C.P.R. In a sense, the ultimate passing of the final Railway Bill on 20th July, 1885, which completely restored the financial position of the railroad with the great House of Baring in London acting as agent for the new 4% bonds, seemed almost incidental and the driving of the last spike at 9:22 on a cold Saturday morning in November at Craigellachie in the Rockies seemed an anticlimax. Of more significance was the absence of Sir John A. Macdonald–he could not be there for the trial of Louis Riel forced him to stay in Ottawa and the same month that the railway was finished Riel was hanged for treason. Nothing could have emphasized more the fact that Canada and the railway must stand or fall together. Those bands of steel linking some 15,000 people in British Columbia to some 3,000,000 Canadians in the East ensured the future of the nation we have today, stretching from the gray Atlantic coast to which our forefathers first ventured to the shining waters of the Pacific.

Stephen, Van Horne, Smith and Sir John A. Macdonald, himself, without these men the Canadian Pacific Railway could never have been built and without the railway the West could never have been held for Canada. Over the years between, the C.P.R. has gone from strength to strength and its leadership today guarantees its future.

Our speaker is a railway man, whose grandfather, Bob Emerson, ran a wood-burning locomotive in the Canadian Pacific's early days at Winnipeg, his father spent his life with the C.P.R., retiring as agent at Bird's Hill, Manitoba, after a long career. His mother worked for the Company for twenty years as an assistant agent. He himself entered the service of the railway at the age of seventeen, when he spent his summer as a rodman at Kenora, Ontario. Apart from his studies at the University of Manitoba, later at Yale, which he attended on a Strathcona Memorial Fellowship in Transportation, he has spent his whole life with the railway moving through each step to his present eminent position as President of the Company and Chief Operating Officer. He holds a multitude of directorships, is a Governor of the Royal Victoria Hospital in Montreal and a Trustee of Bishop's University. I am sure that Donald Smith, George Stephen and, yes, old Sir John A .Macdonald, himself, would be happy to have such a man guiding the destiny of the great Canadian Pacific Railway today.

On this occasion, our first meeting of 1966, I am honoured to present to you Mr. E. A. Emerson, a Canadian railway man in the finest tradition.

MR. EMERSON:

The Empire, that institution honoured in the name of your club, has contributed manifold and lasting benefits to mankind, too numerous to attempt to recount here. Not the least of these was the enormous impetus provided to world trade. This development was aptly and succinctly expressed by the saying, "Trade follows the flag."

Here in Canada we have special reasons for being aware of this sequence of events. The very discovery of the new world was an accident in the quest for a route which would provide Europe with direct access to the spices and mysteries of the Orient. Indeed, many explorers subsequent to Columbus sought to find a means to by-pass the barrier presented by the unexpected land mass of the Americas–the elusive north-west passage. It was not long, of course, before their attention focused on opportunities for trade in the newly discovered lands, and the quest for furs led to early exploration of what is now Canada.

In the course of subsequent history, the Empire has undergone tremendous change, and simultaneously, the fabric of trade has become far more intricate and closely woven. Of the many factors contributing to this result, perhaps none has had a more profound effect than transportation–the very hand-maiden of trade. The speed, efficiency and dependability of modern transportation is such that, to an extent never before thought possible, the resources of the whole world can be placed on all the world's doorsteps.

Canada has been particularly fortunate in sharing in the enormous development which has taken place in world trade. In 1962, the latest year for which figures are available, while Canada ranked 29th amongst the nations of the world in terms of population, it stood in 6th position in value of trade with other countries. The relationship between this standing and our high standard of living, so proudly vaunted upon frequent occasion, is not merely coincidental.

But if we take satisfaction from the fortunate situation in which we find ourselves, we would do well to also recognize its perils. For if modern means of transportation between nations provides ready access to the world's markets, they also bring pervasive competition in those markets. International competition imposes a stern and unremitting discipline. Canadian goods and services are accorded a favourable reception in world markets only to the extent that their price and quality, with all the characteristics which these terms imply, are attractive in comparison with goods and services available from other sources. We possess no unique skills, secret technology or monoply access to materials on which we can maintain a preferential position in complacent indifference to what is going on elsewhere.

Our ability to compete, and particularly our costs in relation to those of other areas, are, therefore, matters of very real concern. Continuous improvement in the levels of our productive efficiency in comparison and competition with the growing achievements of other nations is the only firm foundation for our future development and prosperity. To attain this, we must rely upon our own resources, both human and material. Fortunately, they are not inconsiderable and if developed and employed in a responsible, disciplined manner it is within our means, as the reports of the Economic Council of Canada have indicated, to achieve the growth upon which our future prosperity depends and which is essential if we are to provide employment opportunities for the many thousands of young people who will join the working population each year.

The era in which we live is marked by growing pressures for allocation of funds for social and and related purposes – education, health, retirement income and welfare of all sorts – to say nothing of the accelerating demands of labour itself both for increased wages and for added fringe benefits.

If our economy was self-contained and if we were not subject to international competition, we might entertain the notion of indulging all these pressures providing we were willing to accept the massive redistribution of income involved and to countenance the consequences, both immediate and long-term, on thrift and saving. Canada is no such Shangri-La, however. The fact of the matter is that exports of goods and services comprise some 20% of our Gross National Product, and, when account is taken of secondary effects throughout the economy, their importance is even greater. In both the United States and Japan, by way of contrast, exports account for only about 5% of Gross National Product–less than one-quarter of the Canadian figure.

The vital importance of foreign trade to Canada is further emphasized by reference to our dependence on foreign capital. Currently, we draw on foreign sources, principally the United States, for about one billion dollars of new capital each year to make up the difference between our domestic savings and investment. It follows, therefore, that any public policy which discourages or impairs domestic capital formation or stimulates non-productive spending increases our dependence on foreign sources of funds. Recent experience has amply demonstrated, if proof were needed, the vulnerability of a position of undue reliance on foreign capital sources, subject as these are not only to the sensitivities of international money markets, but also to policy decisions of other governments, which are naturally taken in regard to their own particular circumstances and requirements. Moreover, it must always be recognized that foreign capital will only be forthcoming if there is in being or in prospect earnings which will provide compensation for its use commensurate with that obtainable elsewhere, having due regard for risk and convertibility. Save only in the short term, such earnings can only be generated by a favourable balance from trade in goods and services. Hence the importance of foreign trade to Canada is critical for many reasons.

Just as trade is of crucial importance to our development, transportation is of crucial importance to trade. Here, I refer to internal transportation–within Canada's boundaries–as opposed to offshore transportation, beyond our borders–the connection of the latter with trade being obvious, whether performed by a Canadian or by a foreign carrier.

Some grasp of the relative significance of transportation in relation to the economy as a whole may be obtained from the results of a recent study in the United States which indicated that the total outlay for transportation in that country represented 20% of Gross National Product. This amazing figure included transportation of both people and goods, for pleasure as well as for commercial purposes, suburban as well as inter-urban, taking into account such elements as highway expenditures, purchases of motor vehicles and parts, fuel, etc. No similar study has been conducted in Canada. On a comparable basis, however, the provision of commercial transportation services in Canada accounts directly for more than 6% of our Gross National Product, or half as as much again as the corresponding 4% in the United States.

While the attainment of the highest possible efficiency in the production of domestic transportation service is desirable from the standpoint of assisting in the enjoyment of a higher standard of living, viewed in relationship to movements of commodities in international trade it is of critical importance. There are two particular reasons why this is especially so in the Canadian situation.

The first of these is geographic. Canada is a small nation, but a large country. Only a small part of the products of our mines and mills, of our forests and farms which find their way into foreign trade originate at our borders. The great bulk have to be moved, perhaps a thousand miles or more, to a point where they become accessible to foreign customers.

Bulk itself is the second reason. For a large part of our exports consist of relatively low valued, bulk commodities in relation to which transportation costs are highly significant. Our position is the direct antithesis to that of Switzerland, for example, a geographically small country specializing in the export of very high valued commodities.

Now there have been outstanding developments in transportation technology in the past 65 years. In 1900, the basic form of overland transportation was the wood-burning steam locomotive, capable of pulling a train one-tenth the weight of its freight trains in service today. Steam had only a short time before replaced the sail as the prime source of locomotion in water transportation. Contrast the present situation. Ocean freighters sail into the heart of the continent. Long distance trucks reach every part of the country. Freight trains cross the continent at the speed of yesterday's passenger trains. Access to virtually any part of the world can be secured within a day by jet aircraft. At the extreme, men have travelled at 17,500 miles per hour and circumnavigated the globe in just 90 minutes.

Impressive as these developments in transportation technology have been, they have not been matched by equivalent economic wisdom in the use of the transportation tools which have become available to us. The lag between actual and potential transportation performance has given rise to a situation which may well be described as "Turmoil in Transportation".

The importance of transportation in Canada has always been recognized, for, since Confederation, no fewer than seventeen Royal Commissions have been created to enquire into various aspects of transportation, usually the railways. The latest of these was the MacPherson Royal Commission, which was appointed in 1958, and had the final volume of its findings made public in 1962. The MacPherson Report is of particular interest at this time, not merely because it is the most recent, not only because in some respects it is the most comprehensive, but also because there are prospects that at long last, during the session commencing next week, Parliament may come to grips with implementation of its findings. Accordingly, the subject is one of current concern to all Canadians, especially those involved in one or more of the many facets of trade and transportation, and that includes most of us.

The MacPherson report is distinguishable from others which preceded it by the extent of attention given to basic considerations in the transportation field. In the four years which have elapsed since its release, these basic findings have not been seriously challenged.

The very cornerstone of the MacPherson Report was the finding which identified and defined the objective of National Transportation Policy. That objective was stated to be the movement of Canadian goods and people with minimum demands upon the human and material resources of the nation. You will readily perceive how this finding is completely consistent with our international trade requirements as well as with our desire to enhance our domestic standard of living. It is entirely compatible with the reports of the Economic Council. Indeed, just last fall the Chairman of that Council, Dr. Deutsch, stated that Canada must improve the efficiency of her transportation system to remain competitive in the world.

In its review of Canadian transportation, the MacPherson Commission noted the transformation which had occurred by which the monopoly position formerly held by the railways had changed to one of intense and pervasive competition from other forms of transport, by highway, air, pipeline and, through extension of the St. Lawrence Seaway, from the oldest form of domestic transportation, our inland waterways. With this observation, the next step taken by the Commission was to find that the most effective means of attaining the objective of national transportation policy, namely, the achievement of maximum efficiency, was to place reliance upon the forces of competition, rather than on regulation. Reliance upon competition is not only fully in keeping with our basic concepts of a free enterprise society, as opposed to one which is state-directed and controlled; it has been demonstrated time and time again as being vastly more effective.

The MacPherson Commission recognized that for competition to properly allocate use of the nation's transportation resources in the most efficient manner, the various modes of transportation had to be able to compete on an equitable basis in a commercial environment. To achieve this, it found that the railways should be relieved of burdens imposed on them by reasons of law or public policy. Specifically, this entailed that they should no longer be required to furnish free transportation by statute; that they should not be encouraged to remain in unprofitable passenger train operations, particularly over routes served by public highway; that they should be permitted to discontinue the operation of unprofitable branch lines, and that they should be compensated for the burden of being required to haul grain from points in Western Canada to export positions at rate levels set nearly seventy years ago.

As a corollary to the foregoing, the Commission also recommended that transportation agencies which use facilities provided at public expense should be required to pay user charges in full reimbursement of the cost of constructing, owning and maintaining such facilities. This step is essential in order that the charges made by each mode of transportation truly reflect the cost of the "human and material resources" consumed in the production of its service and therefore achieve effective allocation of their use.

Obviously this principle applies to carriers by waterway, highway and airway. While the Commission did not spell out its recommendations along these lines in detail, even brief consideration discloses that there are several aspects to the matter. The public cost of providing highways and waterways is not encompassed merely by the investment in their construction, outlays for their maintenance and disbursements for operating and for policing their use. What of the lands withdrawn from the tax rolls and placed in the public domain? Goods carried by these forms of transport are relieved of contributions to municipal tax revenues to which those carried by other modes are generally subject. Another and more subtle form of tax relief conceded to users of route facilities provided at public expense arises from the application of income tax. The earning of a return on equity investment in transportation route facilities carries with it the necessity of incurring an income tax obligation larger than the return itself. Since all other carriers either have no investment in route facilities or are not in a taxable position, the only way you can ship goods across Canada and simultaneously make such an income tax contribution to the coffers of the nation and the respective provinces is via Canadian Pacific! In passing I must urge that both from the standpoint of public duty and self interest you should feel impelled to use our services more! The one exception to the general proposition mentioned comprises the pipelines which carry oil and natural gas. Pipelines are the one form of transportation to which the MacPherson Commission did not devote attention since they neither labour under burdens imposed by public policy nor benefit from the use of facilities provided at public expense.

As between the two major railways, the MacPherson Commission pointed out that costs of capital investment for Canadian National should be reckoned on the same basis as that incurred by Canadian Pacific, and that to follow any different course would be to confer artificial and unfair advantages on the government-owned railway.

The balance of the MacPherson Report was devoted primarily to the retention of regulation of railway freight rates in those areas where competition might not exist, and to the mechanics of compensating the railways for the handling of western grain and of providing for the orderly abandonment of non-productive branch lines. One might wish that in formulating these particular recommendations the Commission had adhered more closely to its basic findings. One must hope that Parliament will be sufficiently wise to refrain from temptation to countenance further departures from the basic principles for the indulgence of special interests. It would be regrettable indeed if the opportunity now open to begin the task of putting our transportation house in order – of eliminating "Turmoil in Transportation" was missed. I say "to begin" because it must be recognized that the measures so far proposed do not represent full implementation of the Commission's findings and recommendations. The intervention of circumstances which have delayed action on the report over the now four years since it was produced is unfortunate. It may be, however, that once the first step is taken, subsequent ones will come more easily.

I recognize that some of the views I have expressed may be regarded as contentious, and that others, indeed some present here today, may hold differing opinions. This is particularly so in regard to competing modes and agencies of transportation. Quite frequently reference is made to the ancillary boons and benefits conferred upon the nation as a by-product of public investments in transportation facilities. It is suggested that somehow these are more than adequate recompense for the costs incurred. There is a very simple reply to such propositions. If the boons and benefits approach the magnitude claimed for them by their proponents, then there can be no difficulty in collecting the relatively small additional revenues from those on whom these advantages are conferred to fully reimburse the public treasury and avoid having special benefits conferred upon particular groups at the expense of taxpayers as a whole.

Let me recapitulate briefly. First I outlined the critical importance of international trade to the Canadian economy and the absolute necessity of our being competitive in world markets if we are to sustain growth and maintain the standard of living to which we have become accustomed. Next I described the role of efficient domestic transportation in making available to world markets the products of our country, which are frequently low value bulk commodities moved over long distances to our borders. Then followed a synopsis of the basic findings of the MacPherson Royal Commission on Transportation; the definition of the objective of National Transportation Policy being to acomplish the movement of people and goods with a minimum expenditure of our human and material resources; that to attain this objective, reliance should be placed on competition rather than regulation; and that for competition to effectively allocate the use of transportation resources, on the one hand the railways should be relieved of burdens imposed upon them, and on the other hand competing modes of transportation using facilities provided at public expense should be assessed user charges to fully recompense the public purse. Finally, I drew attention to the fact that we have now reached a juncture where the opportunity to pursue a more prudent course is open to us.

International competition is a stern taskmaster whose disciplines can only be ignored at our peril. At present our full transportation potential is not being realized. To reach this goal requires the discharge of their respective duties by the transportation industry, by labour and by government. The industry will have to sharpen its competitive efficiency with energetic zeal and initiative; labour must act in a responsible manner and assist in adapting to changing conditions. With government on the eve of making a beginning in implementing the recommendations of the MacPherson Royal Commission, let us hope that our Parliamentarians have the wisdom and the courage to deal with the matter objectively and constructively, putting principle before expediency. We must urge that they do so.

Thanks of this meeting were expressed by Mr. Sydney Hermant.

JANUARY 20, 1966

The Need For Unity In Canada

AN ADDRESS BY Maurice Sauvé
MINISTER OF FORESTRY

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Minister, Reverend Sir, distinguished guests, gentlemen: –

About 1800 a man named Hegel said, "What experience in history teaches us is this: – That people and governments never have learned anything from history or acted on principles deduced from it." Bernard Shaw quotes this also in his "Revolutionist's Handbook" and we see every day evidence that we do indeed learn very little from history. The tremendous outcry and concern over the relations that exist between the Canadians of French origin and what, for want of a better term, I shall call the rest of Canada, would lead an outside observer to believe that until the collapse of the Duplessis regime in Quebec, our national marriage had been an ecstatically happy one, with the happy couple marching into the future hand in hand while cherubs scattered rose petals and made other arrangements of an attractive nature. This is, of course, nonsense. We have had violent disagreements for years and ever since Confederation there have been a number of occasions in which only the good sense of Canadians, both French and British, prevented explosions of the most damaging nature.

Even since Confederation – made possible only by the unswerving determination of those giants of their time, Cartier and Macdonald–we have encountered issues which threatened to tear our country apart. In 1889 we had the Jesuit Estates controversy which had to do with Church property situated in Quebec–it is, of course, a commentary on our nation that the issue was raised by an Irishman named Dalton McCarthy! On that occasion Sir John A. Macdonald's views were made quite clear when he told one Protestant clergyman, "There is no need for the Dominion of Canada to take action in the national interest against a statute which does not affect in any way any other of the Provinces." After tremendous amount of sound and fury, reflecting no credit on either side, the Bill became law but this had no sooner occurred when the question of the French language and separate schools in Manitoba and the Northwest Territories popped up and the two founding races were engaged in another donnybrook. It was at this time that Macdonald speaking toward the end of a bitter debate said, "I have no hesitation in affirming that the cultural duality of Canada must be accepted as the prime condition of its continued existence. There is no paramount race in this country, there is no conquered race in this country, we are all British subjects and those who are not English are nonetheless British subjects on that account. The susceptibility of French Canadians must be considered but we must take great care, Mr. Speaker, that while we are calming the agitation and soothing the agitated feelings of the people of Quebec, we are not arousing the feelings of people elsewhere in Canada"; and then speaking again, he added, "Let us go on as we have been going on since 1867 as one people with one object and looking to one future and expecting to lay the foundation of one great country."

Theh Liberal point of view on this matter was expressed by Sir Wilfrid Laurier in 1911 in the disastrous campaign of that year. He said, "I am branded in Quebec as a traitor to the French and in Ontario as a traitor to the English. In Quebec I am branded as a jingo and in Ontario as a separatist. In Quebec I am attacked as an imperialist and in Ontario as an anti-imperialist. I am neither. I am a Canadian. Canada has been the inspiration of my life. I have had before me as a pillar of fire by night and a pillar of cloud by day a policy of true Canadianism, of moderation, or conciliation."

I have mentioned only a few of the many issues over which we have quarrelled with one another in the past century. Indeed it would seem that history does not record any starry-eyed interlude that could be described as a honeymoon. History may teach us nothing but certainly a study of our history leads one to the conclusion that we are kept together only by the certain knowledge of the wretched position we should each occupy if we should part – and after all, since the marriage originally was one of convenience rather than a love-match, perhaps we, of the second founding race, have been expecting a bit too much from our often-charming, frequently unpredictable but always realistic partner.

Our speaker today was born in Montreal in 1923. Considering his academic accomplishments, I was tempted to call him a man of letters – however, the recent activities of certain provincial ministers have made this a doubtful compliment, for the moment at least! He received his B.A. degree in 1944 from St. Mary's College and studied law at the University of Montreal; he later attended the London School of Economics and the Faculty of Law at the University of Paris where he received his Ph.D. in Economics in 1952.

Mr. Sauvé was technical adviser to the Canadian and Catholic Confederation of Labour from 1952-1955. He held the position of Assistant Secretary of the Royal Commission on Canada's Economic Prospects from 1955-1958. From 1958-1962, he was Director of Public Relations for the Quebec Liberal Party. He entered federal politics in the general election of June 1962 when he was elected Member of Parliament for Magdalen Islands, P.Q.; he was re-elected in April, 1963, and again in 1965.

Our speaker was elected Chairman of the House of Commons Special Committee on Defense in June, 1963.

He was appointed Privy Councillor and Minister of Forestry on February 3rd, 1964.

He is married and has one son.

Gentlemen, over the past ninety-nine years our country has been well served by its sons from French Canada – Cartier, Langevin, the great Laurier, St. Laurent and Lesage to mention only a few who have been great Canadians in the fullest sense. Our speaker today has the training, the background and the attributes that make for success in the unpredictable world of politics. At the age of forty-two years, he is already a veteran in the arena – a practical politician, if he has a fault it is one of candour and a determination to meet issue head on – particularly when the matter of principle is involved. Such qualities are rare indeed in politics today where vacillation and indecision seem the order of the day.

Monsieur Sauvé, nous sommes très contents de vous avoir avec nous aujourd'hui, comme représentant illustre de la Belle Province du Québec.

Gentlemen – the Honourable Maurice Sauvé, P.C., M.P., Minister of Forestry for Canada.

M. SAUVÉ:

Are there really two Canadas? My purpose in addressing you today is to expose you to what some have called the other Canada. Most of you are not familiar with it. Most of you do not know the programmes that have been devised in order to bridge the gulf between these two Canadas.

On the one hand is the Canada with which most of you are familiar. This is affluent, productive Canada, the Canada where the majority enjoy a generally adequate standard of living, where cultural and educational facilities are accessible. This is the Canada where people are reaping the greatest benefits – from the 9% rate of growth of our gross national product in 1965; from the declining rate of unemployment in spite of a growing labour force; from vast increases in investment and in capital expenditure. This Canada is exemplified by new sky-scrapers, new apartment complexes, new sub-divisions, expanding and growing Universities, a rising standard of living and new opportunities. In effect, this is the Canada where people are in the mainstream of our economic way of life. This is the Canada that residents of the main urban centres (like yourselves) recognize.

On the other hand there is a Canada with which very few of you are familiar. This is the Canada where most of the inhabitants are trapped in poverty. As such they are generally unproductive and their standard of living reflects the realities of this fact. Indeed, many would say this is the Canada of the "have nots" as contrasted with the Canada of the "haves".

Many of the inhabitants of this Canada are found in rural areas. Rural Canada, particularly since the war, has been affected by deep-rooted economic and technical change. These changes have resulted in tremendous increases in productivity – in fact, it is a paradox that while these changes are fundamental to our economic prosperity, yet they have adversely affected large numbers of people who have been in occupations or in areas which have not been able to adapt.

As Minister responsible for Forestry and Rural Development, I am charged with part of the Government's programme to attack this problem. Our main weapon is ARDA, which is a joint Federal and Provincial programme. The ARDA Act was passed in 1961 and provides a broad mandate to attack the rural problem.

In the period 1962-65 it operated under interim pilot agreements with the provinces. Immediately after I was placed in charge of the programme in February, 1964, we began discussions with the provinces, which led to a new longer-term Rural Development Agreement. This has been signed with all the provinces for the period 1965-70.

In its formative stages ARDA commissioned a considerable number of studies to define the problem more clearly and to suggest possible solutions. An example is the

Eastern Canada Farm Survey, which indicated that a large proportion of farms in certain areas of eastern Canada are non-viable and cannot provide a satisfactory income for their operators. Worse yet, it showed their situation as deteriorating.

Intensive studies were started in problem rural areas in Northern New Brunswick, the Lower St. Lawrence-Gaspé area, and in the Interlake in Manitoba. The results showed shocking conditions of low income and poverty–or, in the economists' terms, low productivity and underemployment.

Other studies established that almost 500,000 rural families lived with an income under three thousand dollars per year–almost 42% of the total rural population. As a matter of interest, 19% of the total urban population falls in this category. Furthermore, over 65 per cent of rural males had only elementary school education or less.

Another nation-wide analysis, "Economic and Social Disadvantage in Rural Canada", proved that these rural low income people were concentrated in certain areas of the country. Other results showed that a large proportion of rural housing was substandard, and only half of the rural dwellings had hot and cold running water or a flush toilet.

However, these are dry statistics that present a picture of average conditions, and provide only a broad base on which to devise a programme. We determined that there was a need for a detailed insight into the realities of poverty, i.e., the real and actual conditions, needs and problems, of specific rural families.

In effect, we needed a better understanding of what is involved in living in poverty. Because of their interest and the fact that they had competent people available, ARDA commissioned the Canadian Welfare Council to conduct studies in four rural areas–Cape Breton in Nova Scotia; Eastern Ontario; Western Quebec; and the Interlake in Manitoba.

To illustrate the findings of this report, I can do no better than to quote briefly from their description of a few families drawn from the scores which they provided.

The Kenney Family – Ontario

The Kenney family are Indians living on the reservation. They have three small children and expect another baby in the summer. Their home is a one and one-half room insulboard shack. It was new five years ago, but has no foundation, very little insulation and is hard to keep warm during the winter. Mr. Kenney had moved the house from a low-lying area across the road to its present site because of flooding every spring and the electricity has not yet been reconnected. Despite the housing, the children were clean, and well-cared for, and the house was neat.

Mr. Kenney showed a genuine concern for the dilemma he was facing in providing for a growing family. He is interested in farming and said the only reason the family would consider moving away would be to farm under better circumstances. He has 13 head of beef cattle, bought with a five-year loan. He has had difficulty paying back his loan. He had tried to improve the family's financial situation by doing part-time labour off the reservation, but has difficulty locating jobs. He recognizes the need for a larger herd, but has not been able to get a loan of sufficient size to make this possible. Mr. Kenney pointed out that they received no assistance or advice from agricultural representatives.

He was able to obtain some work in addition to his farm operation. The chief and some of the men on the reservation opened a private beach and resort last year. Mr. Kenney was responsible for the gate and the concession stand. There was no profit last summer, but they are hoping to show some profit during the next. The Kenney family receives a net income of about $30 per month from their farm. This is supplemented by welfare payments distributed by the agent which varies from month to month.

The Hensons – Nova Scotia

This case is an illustration of the problems arising in connection with a low educational level. Mr. and Mrs. Henson have nine young children and have always lived in this area. Mr. Henson never went to school and his wife has only Grade 8 education. Since the age of fifteen, Mr. Henson has worked in the woods. He has a part-time job, loading boats, at a nearby paper mill that pays about $1,200 a year. When he is not working at the plant, he is in the woods cutting pulp, and he clears about another $1,200 from that. The average income per month per person in this family is $25.

Mr. Henson recognized that this income was low, but he felt that there was nothing he could do to improve matters except to keep on working. He liked to work and would take any job that was steady and in the district.

Mr. Henson has put a lot of hard work into their new home, which he built last fall, a small house with two bedrooms and a kitchen. Two stoves supply the heat. The inside of the house is not finished and they have no inside plumbing, although there is electricity. The family finds it hard to get about as they have no car. They do not plan to move elsewhere. Mr. Henson said his family was too large for that, and he has no education.

This is a family that does reasonably well in their present surroundings in that they subsist without resort to public welfare. They are not inclined to risk moving to an urban area, recognizing that their chances there are poor. However, they are oriented to change within their present environment.

The Adams Family – Ontario

The Adams family live on a farm in Lanark County, Ontario. They are not yet middle aged and have two young children. Their home is an eight-room log house about one hundred years old and in poor condition. It is heated by a box stove and wood-burning kitchen stove. Water is obtained from an outdoor hand pump, and there are no inside toilet facilities. There is electricity and telephone and the family have a car. They live some distance from town – the high school is twenty miles away, as are the doctor and the hospital.

The income of the family is $35 per person per month. Mrs. Adams has a Grade 12 education and a commercial course, and works for the local township authorities. Her present work involves keeping municipal books and is done in her own home. Mr. Adams has a Grade 6 education and worked as a labourer for about three months last winter in addition to his farm operation. In fact, his earnings from this have helped to support the farm, which showed a loss in 1964. The farm is about one hundred acres, of which only 35 acres are under cultivation and Mr. Adams has to rent pasture. He has fourteen cows and he markets calves and milk. The Adams also raise pigs for their own use. They still have two old horses which are used for cutting hay.

The Adams are not satisfied with their life, owing to the level of income. However, they are doubtful that if the family moved to another area, that Mr. Adams could manage a larger farm operation or support his family adequately in some other employment. It would be difficult to sell his present farm and there is no good land available nearby to add to it. The price he would receive if he could sell it, would be inadequate as a basis for a new start elsewhere.

The Fortier Family – Quebec

This family of ten live in a six room house in fair condition. The school is about a mile away. The oldest of 8 children is only 14.

In this region, woods work and trucking is predominant. The father is a truck driver earning about $55 a week. But, such work is seasonal, and there are numerous periods of unemployment. He is employed about 7½ months a year. The monthly per capita income from all sources is $27.50.

He is not satisfied with his employment situation. Mr. Fortier had a truck of his own but lost it because he was not able to meet the instalment payments. He would like to be a farmer or perhaps a carpenter. There are not many opportunities locally for a carpenter and he does not have the money for the required tools. His dream has been to be a farmer, but this appears even less possible.

On his present earnings, Mr. Fortier has great difficulty in providing his family with basic necessities. Lack of money prevents their taking part in local organizations, recreational activities or groups. Opportunities for employment are limited in the region, salaries are very low and the cost of food and clothing is high.

Mr. Fortier will not be able to improve his position unless he has the opportunity to learn a trade. He might profit from vocational training as he is only 38 and has ambition.

The Boucher Family – Quebec

Mr. and Mrs. Boucher and their seven children moved to Western Québec from the Gaspé several years ago. They live in a house built by Mr. Boucher himself. The workmanship is good but it is sparsely furnished. Mr. Boucher works in a saw mill and the per capita monthly income is $25.00. During the off-season, the family live on unemployment insurance. Mr. Boucher likes his job but would prefer to work as a carpenter. This would mean higher wages and more stable employment. Both parents have a 5th grade education.

The family moved to Western Québec in hopes of improving their income and level of living. Mr. Boucher had worked in the Gaspé in a sawmill and as a wood cutter in the slack season. The wages there were insufficient to maintain the family. Relatives of the family were already in this part of Québec and the Bouchers decided to come and settle.

They find that there is little difference in their situation now with respect to income. Furthermore, they find themselves out of place in a milieu which, although not hostile to them, is quite different. They are having difficulty in adapting to their new environment and a way of living which they characterize as “English”.

The Carson Family – Ontario

The Carson family consists of Mr. and Mrs. Carson and their three sons. Three older children live away from home. The family lives in an isolated part of the county – thirty-five miles from the nearest doctor and hospital. Mr. Carson is disabled and no longer able to work. He had been a cook, but was laid off five years ago. He received unemployment insurance for one month. Since then, he has had a series of strokes which have left him partially paralyzed.

They live in an old five-room insulbrick house in poor condition. Heat is supplied by a space heater and the wood-burning kitchen stove. Water is carried into the house from an outside pump and there is no inside bath or toilet. Although they have electricity and a couple of old appliances, they have no television, radio or telephone. They receive no papers, nor magazines, nor books. As they lack transportation and the nearest bus is thirty-five miles away, they take no part in any social organizations – even church attendance is impossible as there is no regular local church service.

The Carson's income is made up of the disabled persons allowance, family allowance, mothers allowance, and comes to about $31 per person monthly. Two older sons who live away from home work irregularly as labourers or in cutting wood, and rarely are able to contribute to the family needs. Mrs. Carson tries to supplement their living by raising a pig or two and by canning food. The mothers allowance is reduced in the summer by $25 and she tries to make up for this fact.

Mrs. Carson is not too well. She had a medical examination following a dizzy spell last summer, but has been unable to refill the prescription which the doctor gave her. Neither Mr. nor Mrs. Carson have any teeth. They were told it was too late to get dentures even if they could pay for them. No member of the family has ever had an eye examination. None of the children were delivered by a doctor, and, with the exception of attendance by a neighbour for the actual birth of the last two children, there was no care during confinement.

Mr. Carson has a Grade 4 education and Mrs. Carson completed Grade 8. The two youngest boys attend the one-room school four miles away. Both parents want these boys to continue in school although their older brothers did not. However, the thirteen-year-old, now in Grade 7, intends to quit school in June.

The Carsons have no intention of moving elsewhere. They want no part of city life, since they feel at home here and the house with its one acre of land is their own. The opportunities for work for the family are limited, but Mr. Carson is sure that it is the same all over.

The Emond Family – Western Quebec

Mr. and Mrs. Emond were very interested in co-operating with the interviewer. Mr. Emond pointed out that "I am not able to explain about these things myself. I don't know how to read and write for I never went to school. I never had the chance as I was raised in a lumber camp. My wife can't read or write either. She also grew up in a lumber camp."

This family and their eight children live in a house which Mr. Emond built in 1964. He explained that he had made it out of old planks and lumber which he found on the dump. All the family sleep in one room. There is no electricity, no telephone, no television – only a radio which doesn't work. There are four battered chairs for the 10 people. There are cracks in the walls through which the cold wind blows in winter and in summer the weeds grow up through the cracks in the flooring.

The Emonds live on welfare and receive a maximum of $152 per month. This assistance barely covers essentials. Mr. Emond used to work as a labourer in a pulp mill but since he got blood poisoning in his leg in the spring of 1963, he has been unemployed most of the time. Even when he did work, he never earned more than $30 or $40 a month. More and more unemployment is occurring in the woods industry. In many places, new machines have replaced many men and also it is difficult to obtain work as one grows older. Mr. Emond is 53.

The two oldest Emond boys are out of school, one 16 and one 17, but they are both unemployed. The Emonds recognize their poverty but feel there is nothing they can do. Their lack of education and the general unemployment make it impossible to change much. Although they see themselves as one of the poorest families in the area, they pointed out that there are many other families just about as poor.

Mr. and Mrs. Emond have little social life and recreation. They do visit with their immediate relatives occasionally. They take no part in local organizations or school affairs and seem to feel a sense of inferiority because of their lack of education. Furthermore, because of their poverty, they don't have presentable clothes in which to be seen in public. "We are even too poor to go to mass on Sunday–only the children go."

"There comes a time," Mr. Emond points out, "when one gets discouraged and just doesn't know what to do. When you have no education, no money, you don't think about going to a city–there may be jobs there, but we wouldn't have a chance." The Emonds feel that the government should do something about making work available for people.

These are summaries of real cases and they describe the face of rural poverty as it exists.

This report of the Canadian Welfare Council makes some general points; the families interviewed do not appear to be alienated from the rest of society. Nor may it be said that any "culture of poverty" was uncovered.

These families have a sense of self-worth and have retained their self-respect. The poor families themselves recognize that they are disadvantaged and they indicated a willingness to consider changes if there appeared to be any realistic hope of achieving betterment.

These families seemed aware of their lack of ability to assemble sufficient capital, and of their precarious economic position. Lacking training and other skills, they hesitated to make any change that might turn out for the worse. They usually recognized their lack of opportunity.

Many people are tempted to attribute poverty largely to individual causes such as laziness, mismanagement, or lack of ambition. The study showed this not to be generally true. It is not lack of ambition when a person recognizes the inevitability of accepting a low-paying job when he has no training. It is not laziness which keeps members of poor families working long hours at hard manual labour. And if income is less than needed to live, is it mismanagement to get behind?

This is a picture of people fundamentally like ourselves. They are of many national origins – young and old, healthy and ill. At present, in spite of their situation, most of them still don't despair, but they fear for the future of their children.

In an economy that breeds new opportunities, they fear for their future. What can we do about this? More specifically, what can public policy and programmes do about it? These people are in need. It is essential in a modern, democratic, affluent country like Canada that poverty of this kind, whether urban or rural, be erased.

The new Rural Development Agreement provides a number of programme approaches which can offer new opportunities and new freedom of choice for many of these people. Let me give you some specific examples.

COMPREHENSIVE REGIONAL PROGRAMMES

One of the aspects of the ARDA Programme – to my mind the most important one and also the most ambitious one is known as area development. This is a process which is applied in problem areas which have potential for development; it provides for the drawing of comprehensive plans for the development of the region, with the active involvement of local people. The Programmes may cover a range of projects, from educational improvement to resource adjustment, from housing to training and mobility. This concept allows the departments of both levels of Government to focus on these areas. The ultimate aim is to raise living standards and increase income and employment opportunities for the people of the area. This type of global approach is now underway in Saskatchewan, in the Interlake in Manitoba, in the Lower St-Lawrence–Gaspé in Quebec, in North-Eastern New Brunswick and in Northern Nova Scotia and Cape Breton.

LAND USE ADJUSTMENT AND FARM CONSOLIDATION

Under this programme, the land of some farmers may be purchased by public agencies, consolidated and developed into economic farm units – thus replacing numbers of marginal farms. This programme could provide new opportunities to some farmers, either by allowing them to escape from the binds of an uneconomic farm or by enabling them to cultivate a viable unit.

RURAL MANPOWER PROGRAMME

Allied with this is a rural manpower programme which provides help to those whose land is purchased, as well as to low-income rural families. This provides for training, allowances while training, and moving and re-establishment costs.

RESOURCES DEVELOPMENT IN LOW INCOME AREAS

This programme provides assistance to resource development in areas where there are concentrations of unemployed and underemployed people. These resource adjustments are made on the basis that they are economic investments – as, in fact, are all programmes under the Rural Development Agreement.

We do not employ a "welfare" approach. Such developments include community pastures, recreational development, and so on. Other aspects of this programme allow for the placing in the field of specially trained staff who will work with rural families in rural areas to improve their situation. Special rural housing programmes are being developed in co-operation with Central Mortgage and Housing Corporation.

These are some of the weapons we have at our disposal to combat rural poverty. However, we are certain that no one of these programmes, not even a combination of all of these programmes, will help to completely eradicate poverty. These programmes have to be used with great skill to apply the particular approach that meets the particular needs.

The price of erasing poverty may appear high in dollars but the effective cost is far less than our present system of transfer payments. These programmes offer a positive approach that enables people to regain their productivity, to once again be part of the mainstream of our way of life. Further, helping people to become productive will strengthen our economy as well as allowing individuals to re-establish their dignity.

Are there two Canadas? If by this is meant that the poor in this country dwell in a separate culture of poverty, the answer is no. If it means that they are poor because they are innately incompetent and incapable, the answer is no. Thus, not only do our studies and insight show that there are not two Canadas, but that there need not be two Canadas. Most of these people are poor because opportunity has passed them by. Many were trapped by forces of change over which they had no control. These people want to contribute to Canada, they want to become productive members of society, they want the benefits of modern living. We must give them this opportunity.

Thanks of this meeting were expressed by Mr. Allan F. Lawrence, Q.C., M.P.P.

JANUARY 27, 1966

A Troubled Artery

AN ADDRESS BY **Stuart D. Armour**
PRESIDENT AND GENERAL MANAGER
GREAT LAKES WATERWAYS
DEVELOPMENT ASSOCIATION

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, distinguished guests, gentlemen: –

The first railway in Canada was constructed one hundred and thirty years ago between St. Jean, Quebec, and Laprairie with the object of shortening the journey between Montreal and New York. Before that time railways did not exist in Canada and the rivers and lakes provided at once the easiest system of communication and the only system over which heavy freight could be moved. From the earliest days of French Canada, the fur trade had followed the rivers and early exploration was almost entirely dependent on them.

Since our speaker today will be dealing with the St. Lawrence River and the Great Lakes System, I should like to mention that the Indians, describing the St. Lawrence to Jacques Cartier, said, "This is a river that has no end," and, in fact, his early efforts to find where the river entered the Straits of Belle Isle were unsuccessful. Finally, on 10th August, 1536, he discovered "Baye Saint Laurens" which proved to be the mouth of the river which later took the name of the St. Lawrence. In 1603 we find Champlain establishing a settlement at Tadoussac at the mouth of the Saguenay and by 1608 another at Quebec. In the next eight years he explored the whole river system as far as Lake

Huron but reached it by way of the Ottawa River. Years were still to pass before white men reached the head of Lake Superior and were able to determine that the same water that bathed these shores flowed over the two thousand miles of the Great Lakes and St. Lawrence System to enter the Atlantic far beyond Quebec.

With the development of the West came the extension of the railways but the need for the passage of cargo ships between the Great Lakes and salt water was recognized long before. The rulers of New France did not do much about it for they were interested largely in the fur trade and found a ready outlet through the Ottawa River. However, in 1700 work was begun on a canal to bypass the worst part of the Lachine Rapids. The superior of the Sulpician Order of monks let the contract for the excavation of a canal about a mile in length, twelve feet wide at the surface and having a depth of eighteen inches at low water in the St. Lawrence. Unfortunately, the contractor became bankrupt in the following year just as he was about to finish the canal and it was, in fact, never finished.

With the British era and the settlement of Upper Canada, the importance of water navigation rapidly increased and in 1839, Lieutenant-Colonel George Philpotts of the Royal Engineers, acting under the instructions of Lord Durham, submitted two reports recommending the enlargement of all canals between Lake Erie and tidewater and proposing a standard size lock two hundred feet in length, fifty-five feet in width and having nine feet of water on the sills. Not all of Philpott's recommendations were accepted but a good start was made to develop the system as we know it.

Turning to the power aspect, we find Charles, Marquis de Beauharnois–Governor of New France in 1726–constructing a small irrigation canal to connect Lake St. Francis and the St. Louis River and so increase the flow of the St. Charles River for the purpose of hydraulic development. This was a four-mile diversion canal and is still in operation. You will recall that the name Beauharnois later acquired a rather unattractive significance but this had nothing to do with the old Marquis!

The romance of the Seaway in the years leading to its final construction is part of Canadian folklore now and perhaps no decision in recent years has reflected greater credit on our country than the decision to carry out the project alone if our American neighbours were not prepared to join us. In the end, of course, it was a joint undertaking and it has now been in existence long enough for some interesting conclusions to be reached. Our speaker today knows more about the Seaway or at least the transportation aspect of the Seaway than any man in Canada. He is an old friend of many of those present who have known him in one of the several roles in which he has distinguished himself. For sixteen years he was with the Steel Company of Canada, as Economic Adviser to the President. In World War I he was wounded twice and received the Distinguished Service Order and the Belgian Croix de Guerre. During the Second War he was with the Department of National Defence for Air and with the Department of Munitions and Supplies. He has been a student of the Canadian economy for years and associated with the Chamber of Commerce movement and the Canadian Manufacturers Association for a good part of his business life. He is now President and General Manager of the Great Lakes Waterways Development Association and, as such, is dedicated to the fostering of economic development by means of low-cost transportation through the Seaway and throughout the Great Lakes.

Gentlemen – may I present a brave soldier, a business man of distinction and an expert on the subject on which he will speak today – Mr. Stuart Armour.

MR. ARMOUR:

A schooner sailed to England from this City in 1855 and Toronto became the second ocean port on the Great Lakes. Kingston beat Toronto by seven years, having sent a vessel overseas in 1848.

Both Toronto and Kingston, along with Buffalo, Chicago, Cleveland, Detroit and a score of other Great Lakes Cities in Canada and the United States, were able to become ocean ports because in 1848 there was opened an all-Canadian St. Lawrence Seaway from Montreal to Lake Erie.

That first Seaway had a uniform minimum depth of nine feet – five feet deeper than the then famous Erie Canal – and it was approximately 364 miles long. It was not until eight years after the opening of that first all-Canadian Seaway that the Grand Trunk Railway was completed from Montreal to Toronto in 1856.

Last year, there were 1,138 passages of ocean-going ships through the Western Gap into the port of Toronto. Since they all got out before freeze-up, that meant the same number left for overseas. So in the 237-day navigation season on the Seaway in 1965, there was an average of more than nine passages through the Western Gap by arriving or departing ocean-going vessels.

When he introduced our Seaway Act in Parliament in 1951, which authorized the enlargement of the then existing all-Canadian Seaway in collaboration with the United States, the then Minister of Transport said it was not anticipated that ships from overseas would be large users of the new facilities. That wrong guess is only one of many reasons why I have given my remarks today the title "A Troubled Artery".

Those ocean-going vessels which sailed in and out of Toronto harbour last year, carried a total of just under 1.5 million net tons of cargo to and from the far places of the earth. In addition there were handled cargoes arriving or leaving by Great Lakes carriers amounting to 4.6 million net tons, although many of these reached Toronto by way of the Welland Ship Canal rather than by the Seaway.

Taken altogether, the cargo handled by the port of Toronto in 1965 amounted to 6.1 million net tons. Our Department of Transport estimates that each ton of bulk cargo handled yields a direct benefit to a port of from $1.50 to $5.00 a ton, while general cargo yields direct benefits of from $14.00 to $20.00 a ton.

You can realize from such figures that the port of Toronto is itself an important factor in the economy of this region. But in addition to the direct benefits accruing to the port, it has been estimated that on bulk cargo alone, a community benefits to the extent of another $4.89 a ton.

In a recent speech to the Transportation Club of Toronto, Hon. Mitchell Sharp in his then capacity as Minister of Trade and Commerce, cited our overseas shipments of wheat as an example of the close relationship between transportation and trade.

Most of us realize the importance of those wheat shipments to our National economy, but not everybody fully realizes the extent to which shipments of manufactured goods have now joined shipments of food-stuffs, forest and mineral products as what Mr. Sharp called "the four main pillars of Canada's export trade".

Indeed, on Canadian manufacturing has been placed the task of ensuring a high level of employment and income, which was declared in 1945 to be the objective of Government policy. But if our manufacturers are to fulfill the task of increasing job opportunities, production and the tax revenues which are now so essential, they must not be shackled by rising costs of getting their products to market.

Mr. Sharp in his Toronto speech said "our transportation industry provides a stimulus to trade itself. Quicker, better and cheaper transportation increases the advantages of International specialization", and that "specialization in manufacturing is becoming of major importance".

Despite what Mr. Sharp had to say and the figures I have given you, it is very apparent that the average resident of Toronto gives little, if any, thought to the fact that he lives in a City which has already achieved stature as an ocean port. Yet the achievement is really very spectacular when you remember that Toronto is classed as an inland community.

How did it come about that a City so far removed from the entrance to the Gulf of St. Lawrence was a port of call last year for 1,138 ocean going vessels?

It came about because in 1829 a group of Ontario business men opened the first Welland Canal to by-pass Niagara Falls, and thereby proved that it was feasible to lift sailing vessels, and not just barges, 326 feet over the escarpment between Lake Ontario and Lake Erie. As has been the case throughout the whole history of the St. Lawrence Waterway, that first Welland Canal was beset by many problems. However, the existence of that Canal did inspire an insistent demand that canals and dredged channels and locks of equivalent or greater dimensions be provided in the St. Lawrence River between Montreal and Lake Ontario.

When Canadians on their own initiative and at their own expense constructed the necessary facilities, the first Seaway was opened for traffic in 1848, and every community on Lakes Ontario, Erie, Huron and Michigan immediately became a potential ocean port. When the United States got around to opening an adequate lock at Sault Ste. Marie, Michigan, in 1855, Lake Superior joined the other Great Lakes as part of North America's "fourth sea-coast".

In the years following 1848, Canadians improved the Seaway from Montreal to Lake Erie, and by 1900 there were canals and channels and locks built and owned and operated by Canadians with a uniform minimum depth of 14 feet.

So impressive was the contribution of that 14 foot all-Canadian Seaway to our progress and prosperity, that the pressure was insistent for further improvements. In 1913 construction was started on the present Welland Ship Canal, the fourth canal constructed in Ontario to by-pass Niagara Falls, and in 1932 it was completed. This fourth canal, known officially as the Welland Ship Canal, had a uniform minimum depth of 25 feet, and it was designed, constructed and paid for solely by Canadians.

Since it cost $132 million to build, and our population when construction started was only 6.5 million, and when it was finished, 10.5 million, you can readily appreciate what a marvellous Canadian achievement it represents. Even today, there is no canal in all the world to compare with the Welland Ship Canal, the eight locks of which lift ships 730 feet long, 75 feet wide and weighing with their cargoes up to 40,000 tons, over a natural obstacle sufficiently forbidding to daunt the most courageous.

The coming into operation of the present Welland Ship Canal in 1932 was of enormous benefit to the whole Canadian economy. It not only made it possible for Canada to become a great grain exporting nation, but provided low-cost transportation for the raw materials needed by the heavy manufacturing and other industry located in the so-called Golden Horseshoe from Oshawa to Niagara Falls. However, it also called into being, opposition of the most vicious kind from powerful United States interests.

Until the present Welland Canal came into operation in 1932, more than twice as much Canadian wheat for export was shipped overseas from United States Atlantic Coast ports such as Boston, New York, Philadelphia and Baltimore, as was handled by Montreal, Saint John and Halifax.

That Canadian wheat for export through United States ports was hauled from the head of Lake Superior to Toledo, Cleveland, Fairport, Erie and Buffalo, and then shipped by United States railroads to the United States Atlantic Coast. After the opening of the Welland Ship Canal in 1932, the bulk of Canadian wheat export went down the St. Lawrence to Montreal and Quebec, although most of it had to be transhipped at Toronto or Kingston or Prescott.

You can well imagine the rage of United States Atlantic Coast ports and the United States railroads which serve them at the loss of that highly lucrative export grain traffic. As a consequence, when Canada and the United States signed an agreement in 1941 to jointly enlarge the Seaway from Montreal to Lake Ontario from a 14 foot water artery to one having a uniform minimum depth of 27 feet, the United States opponents of that great venture organized themselves into scores of bodies capable of exerting powerful influence in Washington.

In 1964 no less than 270 million bushels of Canadian wheat for export were shipped from the ports of Montreal, Three Rivers, Quebec and Baie Comeau. There was also a very considerable tonnage of United States grain for export handled by those same Canadian ports. As far as can be ascertained, no Canadian wheat for export was handled through any United States Lake Erie port last year or the year before. The rage of the opponents of the Seaway has consequently increased rather than decreased.

The Agreement signed by Canada and the United States in 1941 called for completion of the enlarged Seaway by 1948, just 100 years after the opening of the first all-Canadian Seaway.

But alas for fond hopes. Even before the United States Congress could ratify the Agreement, the opposition had proved so powerful that in 1947 Washington informed Ottawa that if favourable Congressional action was to be secured, Canada must agree to the principle of collecting tolls to repay the capital costs of construction plus escalating yearly administration, maintenance and operation costs within fifty years.

Although acceptance by Canada of the demand of the United States that an attempt be made to recover the costs of the enlarged Seaway through tolls meant abandonment of our traditional policy of toll-free navigation facilities, Ottawa in its anxiety to get on with the project, agreed to Washington's terms. At that point the St. Lawrence Waterway became a truly troubled artery, and it has retained that unenviable position right down to the present day.

In his book on the St. Lawrence Seaway published in 1959, Hon. Lionel Chevrier, former Minister of Transport, first President of our Canadian St. Lawrence Seaway Authority, and now our High Commissioner in London, wrote: "The Seaway was the most controversial construction project the world has known. . . Few projects have been so desperately needed while being delayed for so long."

If the Association of American Railroads, the United States Atlantic Coast Ports Association, and such organizations as the National Association for a Non-Subsidized Seaway with headquarters in Baltimore, Maryland, and with a United States Congressman as its President, had had their way, the present enlarged Seaway would never have been built.

But it was built, and it has proved one of the principal means by which Canada has achieved her present position of long-sustained prosperity. For without the Seaway our Government could not have entered into agreements to supply huge quantities of wheat to Russia and her European satellites. Without the wheat deals of the past three or four years, the general level of business activity across Canada would be far lower than it is today.

That level of business activity has, in its turn, created new demands by our manufacturers for raw materials, which, in its turn, has resulted in spectacular developments not only throughout the Lower St. Lawrence Valley, but in Ontario as well.

Fittingly enough, the diversion of traffic away from United States ports and railroads to the St. Lawrence Waterway, has been of enormous benefit to Canadian railways and truck operators. Every pound of the 43 million tons carried through the Seaway, and of the 53 million tons which transitted the Welland Ship Canal last year, was carried to or from the St. Lawrence Waterway by rail or truck. Indeed, the St. Lawrence has proved a complementary factor in the field of Canadian transportation.

Transportation by water is the cheapest means of carrying goods known to man. It is to be hoped, therefore, that nothing will be done to curtain its ability to provide that "cheaper transportation" which, as Mr. Sharp has pointed out, is so essential to our export trade. Obviously tolls on the Welland Ship Canal and/or the St. Lawrence Seaway do nothing toward making transportation cheaper, and that is why our Association is so opposed to them.

Cargoes handled by the Welland Ship Canal and St. Lawrence Seaway in the navigation year just closed, embraced the entire range of Canadian exports–forest products, grain and other farm products, iron ore and manufactured goods. They also embraced very large cargoes of coal imported from the United States without which Canadian heavy and other industry in Central Canada could not function in the highly competitive world of today. There was also a substantial upbound movement of manufactured goods from all parts of the world, as well as of imports of certain essential raw materials not to be found in Canada. In addition there was a large and growing volume of Canadian manufactured exports shipped downbound to overseas markets.

But, and there always seems to be a but in the affairs of man. The high level of our prosperity which is reflected in the figures on cargo tonnages transitting the Seaway and the Welland Ship Canal last year will only increase the danger that inimical actions may threaten the future of those two transportation arteries vital to our progress and prosperity, unless Canadians are made aware of what is afoot.

Let me now try to enlighten you as to what those inimical actions may be.

Sixty-three years ago Canada abolished tolls on all our inland waterways, and in 1909 the International Boundary Waters Treaty declared that "all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants, ships and vessels" of both Canada and the United States.

Yet in 1959, when the enlarged International St. Lawrence Seaway was opened from Montreal to Lake Ontario, the all-Canadian Welland Ship Canal was subjected to tolls.

Our Association came into existence in 1959 to work for the abolition of tolls on all our inland waterways, and we spearheaded the effort which resulted in Welland Ship Canal tolls being suspended in 1962. In 1964 we again threw our weight against the reimposition of tolls on the Welland Ship Canal, and they were re-suspended "for the present" on March 26th of that year.

However, you can all appreciate the uncertainty which today confronts every user of the Welland Ship Canal, be he African, American, Asian, British, Canadian, European or Latin American, when he tries to figure out what "for the present" may mean. All the user knows is that Ottawa on its own initiative imposed tolls on the Welland Ship Canal in 1959, and that they have only been suspended or re-suspended but never removed right down to the present day.

While the matter of tolls on the all-Canadian Welland Ship Canal is one for Canadians alone to decide, this is not true of the International St. Lawrence Seaway. Tolls on the Seaway first imposed in 1959, are to remain at their present level until the close of navigation in 1966. But before July 1st of this year, the Canadian and United States operating entities are required to adopt a new schedule of user charges, and these are under International consideration at the present time.

In 1964, when Seaway tolls were under review, Canada suggested they should be raised but the United States refused to go along with that strange suggestion – strange because St. Lawrence has always meant far more to Canada than to the United States.

The St. Lawrence furnishes Canadians with their only water highway into the heartland of their Country. On the other hand, there are a whole series of rivers giving access to the interior of the United States from her coastal areas, such as the Columbia, Delaware, Hudson, Illinois, Mississippi, Missouri and Ohio, all of which are completely toll-free.

In fact, the only part of the 27,000 miles of navigable waterways in North America which is not toll-free is the St. Lawrence Seaway from Montreal to Lake Ontario, a distance of 124 miles.

Canadian manufacturers are being constantly urged by Government to increase the volume of their exports, and our continuing balance of payments problem make this a National must. Yet by reason of an inconsistent and discriminatory policy of Seaway tolls, the competitive position in overseas markets of those Canadian manufacturers whose plants are located anywhere in the Great Lakes area are worsened.

In August last year, a single ship-load of general cargo from Britain destined for a United States Great Lakes port, paid $17,134 in cargo tolls alone, plus 4 cents a ton on the unknown gross registered tonnage of the vessel. If that same ship had carried a downbound cargo of Canadian manufactured goods destined for overseas markets, it would also have had to pay a cargo toll of more than $17,000 for the privilege of transitting a navigational facility which was all-Canadian and virtually toll-free for the 111 years, 1848 to 1959.

To the total charges for getting those Canadian manufactured goods to market via the Seaway must be added the toll charges on the raw materials from which they were made. The toll on bulk cargoes such as coal, forest products, grain and iron ore transitting the Seaway is 40 cents a net ton plus 4 cents a ton on the gross registered tonnage of the vessel. A ship of the largest size capable of transitting the St. Lawrence Waterway (and they are now virtually all Canadian ships), fully loaded with coal or farm or forest products or iron ore, must pay $12,400 in cargo and vessel tolls each time it travels in either direction between Lake Ontario and Montreal.

All those raw materials enter into the production of manufactured goods of one kind or another. Hence the cost of transporting them affects the prices paid by consumers in all parts of Canada, as well as in export markets.

Moreover, Canadian manufactured goods made from Canadian raw materials on which tolls have to be paid must compete with similar United States raw materials which still move toll-free within Lakes Erie, Huron, Michigan and Superior. This seems a strange way of trying to make Canadian goods more competitive, which is the declared goal of Government policies.

The Association of American Railroads goes so far as to advocate the imposition of tolls on all North American Waterways. In pursuit of that objective, the Association of American Railroads in January last year asked Congress to increase Seaway tolls and to impose tolls on United States inland waterways. Then in March 1965, the International Railway Brotherhood with headquarters in Cleveland, Ohio, urged our Government "in the best interests of the Canadian people" to raise Seaway tolls. You can well imagine the howls of indignation which would greet any suggestion by a Canadian labour union to the United States Congress that it take some action in the best interests of the American people. But the effort of a labour union with headquarters in the United States to influence our Government over the heads of the Canadian people drew no rebuff.

President Johnson, in a message to Congress last May, asked for legislation imposing a toll by way of a tax on the fuel used by all self-propelled vessels having a draft of 15 feet or less which use United States Coastal, Great Lakes and Inland Waterways. If such legislation is enacted by Congress this year, it would bring within its scope all United States waters, including those in the Great Lakes area.

The ease with which such legislation could be extended to cover vessels of any draft, and the effect of such an extension upon traffic transitting the United States locks at Sault Ste. Marie and the river channels connecting the Great Lakes, hardly needs emphasis by me today.

Continued existence of tolls on the 124 mile International St. Lawrence Seaway from Montreal to Lake Ontario, furnishes a most dangerous precedent for the imposition of tolls elsewhere, including the now toll-free all-Canadian Welland Ship Canal.

Perhaps you can now begin to realize why our Association, with a varied Membership from the Maritimes to the Rockies, including the three Prairie Wheat Pools, is so opposed to tolls on all Canadian Waterways, be they coastal or inland.

But a reversion to our traditional policy of toll-free waterways will not come about unless the people of Canada make their wishes in this respect abundantly clear. That is why I have ventured to address you on this important subject today.

Thanks of the meeting were expressed by Mr. F. Gerald Brander.

FEBRUARY 3,
1966

Law Reform—The Businessman's Responsibility

AN ADDRESS BY **J. L. Biddell**
PRESIDENT
CLARKSON COMPANY LIMITED

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Justice, Reverend Sir, honoured guests, gentlemen—

Almost a century and a half ago the father of Charles Dickens went to prison because he could not pay his debts. In the 1920's a haberdasher named Truman in the United States found himself incapable of meeting his obligations; he would not take refuge in bankruptcy and over the following ten years paid every cent that he owed to his creditors. He later became President of the United States. Since World War II we have arranged things much better, of course—people who cannot pay their debts do not go to prison, they merely go to Florida and the school of thought that firmly believes that two fires and a bankruptcy constitute the royal road to fortune is now being challenged by the purists who consider fires rather messy and hold the view that two or three bankruptcies provide a better solution.

Actually, bankruptcy, whether financial, moral, physical or spiritual, is not a subject which lends itself to humour and the magnitude of the losses and the audacity of those profiting from them is an extremely serious matter which must lead to the re-writing of our laws to ensure punishment of those guilty in order that those contemplating such frauds may be discouraged.

Our speaker today could well be described as the foremost authority on bankruptcy law in Canada. He was born and educated in Toronto, receiving his chartered accountants degree while employed by Clarkson, Gordon and Company. He is now partner in that firm. He is also President of an associate company of Clarkson Gordon, the Clarkson Company Limited, which is chiefly engaged in the work of trusteeships and receiverships. He is known and highly respected throughout the legal and banking profession in Toronto and, apart from the many demanding duties that he has to perform in the field of bankruptcy, he is at present engaged in the review of current business legislation in order that the law keep pace with the continuing development of ideas and practices in the field of commerce and finance.

Should our speaker decide in due course to retire, he would have no worries financially – he would merely have to play eighteen holes of golf occasionally with a modest wager involved – his handicap at the moment happens to be seven but it should be three!

Gentlemen – I have the honour to present Mr. Jack Biddell, chartered accountant, student of commercial practices, and an expert on the subject with which he will deal today.

MR. J. L. BIDDELL:

What I wish to consider with you this afternoon is whether we as business and professional men and as Canadians can afford to continue our present practices and attitudes towards our governments and the responsibility which we all have for law reform in this country.

I suppose I can speak with at least some small authority on the subject of certain commercial law reform such as Bankruptcy Act amendments, Mechanics' Lien Act problems and the like, and the experience I have acquired in wrestling with problems in these areas. I would however, like to consider the subject of law reform in a much broader concept and discuss with you the extent to which the business community should be taking on the responsibility to see that the government determines and adopts worthwhile economic and social objectives for Canada and does something about attaining them.

What should these objectives be? Well, if you listen to the annually repeated message of some of the major organizations which claim to speak for Canadian business, the objectives of government should be to stop spending so much money, reduce taxes, and otherwise leave our citizens alone to work out their own problems and Canada's future.

I for one certainly would not describe the objectives of the members of the Canadian business community in those terms. All of us, of course, have our own business and professional responsibilities and objectives that we are paid to try and attain. As Canadians, however, I think you would agree with me that our main and overriding objective is to do everything we can to ensure the future economic and social welfare of Canadian citizens and to see that Canada, which is surely the greatest country in the world in which to live, continues to be just that.

A few weeks ago I was having lunch with a friend who had just retired. He had held a senior position with one of our banks and had had a unique opportunity to travel and work with people in every part of Canada. I was delighted to find him still full of energy and enthusiasm. "Jack," he said to me, "I want to be around for a long time. This country has a tremendous future. Where else in the world is there a country that has a combination of vast areas of undeveloped land and honest and stable government? Canada just can't miss."

I think we would all readily agree. Canada has a tremendous future – but I would add – if we don't let it get fouled up.

My friend described our government as being honest and stable. With this I think we would all basically agree. I wonder, however, if basing our future choice of government exclusively on honesty and stability – as a good part of the wind generated in the last election campaign attempted to sway us – is going to be good enough.

None of us would condone anything but absolute honesty in government, but I think it unrealistic to assume that we are always going to have it. In any group of 265 persons, there inevitably is going to be someone who will yield or appear to yield to temptation at some time to some degree. I think we must have our politicians understand that when this happens – as it is bound to – we don't want the matter pushed under the rug – neither do we want the nation's business suspended for weeks or months just because somebody thinks it is good election issue.

If there are reasonable grounds for censure or worse, we want the suspected persons suspended at once and a fair and proper enquiry conducted without delay. Above all, we want our elected representatives to get on with the work they were appointed to conduct.

As to stability in government – if this is going to continue to mean party solidarity above everything else, and doing nothing that you will ever have to amend, retract, or repudiate, then I think Canada can miss the future it should have.

I agree with my friend's basic thesis, however. Canada has a wonderful future in spite of the many serious problems we see confronting us. I agree with him, and I am also completely convinced that our greatest future lies in the preservation of our system of free enterprise. I am not convinced, however, that the manner in which business and our governments are attempting to solve our problems are nearly good enough, or that our information media are always conducting themselves with the degree of responsibility which they claim. We clearly need a better set of attitudes and procedures among all three of these groups.

Getting back to my trick title – "why don't they do something", I think we have to ask ourselves who are "they"? Presumably, "they" are a combination of our elected representatives, our civil servants (whose job is usually primarily administration), and the parliamentary draftsmen.

Surely we have to recognize that in any government at any time the primary task of practically all of these people is to raise money through taxation and to spend it or give it away. There can only be very few people available at any time with the time to devote to other pursuits and most of these will be busy working on the pet projects of the few live wire ministers which hopefully we have managed to elect. So we come back to the fact that "they" usually consists of no one at all. At least no one who is ready to recognize the need for new legislation when a crisis occurs and immediately set about drafting it.

Let's face it, government – any government – is going to move powerfully slow in the area of commercial law reform. Anything done in this area usually has comparatively little vote getting power and it is much easier to ignore the problem and hope it will go away than to take the responsibility for initiating measures which could just turn out to be a mistake.

I am firmly of the opinion that the responsibility for initiating action in the field of commercial law reform must be seized by members of the business community. Government is bound to procrastinate as long as possible. In most cases, "they" haven't the inclination, the personnel or the know how.

Accepting that it is the business communities responsibility, how does one get a project under way? Believe me, there are problems.

In so many areas of our economic activity and particularly in commercial law, there seems to be an overwhelming belief that any new idea is suspect until it can be shown that it has been developed and put into practice somewhere else – hopefully in the United States.

I attend quite a number of meetings called to discuss suggestions for improvement in business rules and regulations and on almost every occasion, someone – usually a member of the legal profession – attempts to sum up the discussion with a remark to the effect that the proposals are very interesting but shouldn't we really investigate to see how similar problems are handled in the United States or Britain or Sweden, etc. We just don't seem to have sufficient confidence in our own judgment.

Canadian business people are great joiners. Every type of business has its associations and institutes and societies in great proliferation. The basic purpose of most of these groups is to encourage the development of ideas for the economic welfare of the members and where appropriate to put these ideas forward to governments or other groups with greater force than any individual member could probably command.

I believe a great many good ideas are brought forward in these associations – and that many of them are then promptly snuffed out because the association's executive can't find a precedent for them. I think it fair to say that a great many of the briefs submitted by business organizations to governments nowadays in the first draft contain some interesting ideas but finally consist of nothing but platitudes combined with completely subjective pleas for assistance.

Would it not be much better if along with its solicitor on its policy making team, our Associations employed a complete outsider who might more easily recognize the worth and encourage the development of the brainstorms brought in by members. Aside from such a contribution, a competent consultant could materially assist in the development of a brief which would be sufficiently detailed to be clearly understood, whose proposals would not unfairly conflict with the rights of others and which would be more likely to make a public contribution and attract greater support.

The responsibility of Government

What about government responsibility in this area? I suppose that every year hundreds of briefs are submitted to the Federal government's various departments. Its an old story what happens to them – usually nothing. If the brief is submitted by a large and well established association the executive are usually invited for a few minutes' polite conversation with one of the Ministers or Assistants and two or three senior civil servants. After that a deafening silence.

If at some later stage something drastic occurs – like some bodies being found in quicklime during an election campaign – and the government produces some legislation on the subject, are the proponents of the Brief consulted? It is most unlikely. "They" the government will decide on the details of the Bill and any suggestion that the members of the business community who spent months developing proposals, should be consulted on the Bill's terms is viewed with horror by both the Government and the Opposition.

Clearly the government is correct in maintaining complete secrecy as to its intentions in those areas where advance information could conceivably profit an outsider. There are other areas however where it seems reasonable that advantage should be taken of the knowledge and experience of private citizens who have given evidence of their willingness and ability to contribute to the problem.

Every speech we listen to from our politicians tells us of the serious problems which our country is facing. In the same speech we are always invited to participate in government and assist in their solution. My experience is that anyone attempting to take up that challenge is in for an exercise in frustration.

It has been suggested that the government is considering the appointment of an Ombudsman – a person authorized to listen to the grievance of any of our citizens and take action to have his case reviewed. Much more value than an Ombudsman in my opinion, would be a Minister and a Department charged with the responsibility for receiving Briefs and suggestions for changes in legislation or in government policy, from any person or association who wants to submit a written proposal and arrange an appointment.

The Department could be responsible for assisting in the development of any apparently worthwhile proposals presented to it and for bringing them to the attention of the appropriate Minister or Branch of Government. Of equal importance, the Department should be required to maintain contact with the proposers of ideas which merited consideration, encourage their further development and within reasonable limits explain to the proposers the reason for any changes in suggestions which are adopted and the reasons why others could not be accepted.

No one would be required to pass his Brief through this Department. Any person or group would still be entirely free to make representations directly to specific persons or departments as at present.

I suppose the immediate reaction to such a proposal may well be that it is nothing more than the old "suggestion box" idea on a national scale. Perhaps so, but we are all aware of the serious problems faced by Canada in the years ahead and by no means is it likely that all of the best brains in the land are going to be concentrated on our various parliament hills.

We need a much better liaison between our legislators and our citizens than we have yet achieved. We must take advantage of the combined intelligence of our people in a more effective way. Politicians inviting assistance must appreciate that communication is a two-way affair and do something to improve it.

I am sure that by now everyone here today realizes that my remarks have to a considerable extent been based on personal experience I have had, along with others, in proposing amendments to Federal Bankruptcy legislation. And you may suspect that some of us are feeling rather piqued at our lack of success. Well, you are absolutely right.

In the early 1950's the Bankrutptcy Committee of the Board of Trade of Metropolitan Toronto spent several months preparing a detailed analysis of the Bankruptcy Act and prepared a Brief to the Government recommending substantial revisions.

The Board's Bankruptcy Committee is a standing committee composed of many business and professional persons having long experience both in the administration of credit and in the legal and trustee aspects of receivership work. In 1961 the Committee met again in lengthy sessions and up-dated its earlier work and again submitted a Brief.

In 1962 The Canadian Institute of Chartered Accountants formed a committee of its members across Canada some of whom were in professional practice and others in commerce and industry. The Committee met on numerous occasions in Toronto and elsewhere and produced a lengthy set of proposals for Bankruptcy Act reform. Many of its proposals were quite different from any ideas which had previously been put forward. These arose out of special situations which members of the Committee had encountered in their work in various sections of the country. The Committee's Brief was submitted to government in 1963.

Out of all of this work there has so far not been the slightest effort on the part of any one in Ottawa to communicate with The Board of Trade or The Canadian Institute of Chartered Accountants on their proposals. From an indirect source we have heard that our Briefs are at long last being considered and from the recent throne speech it is indicated that we are finally going to get some amendments to the Act. Just who is doing the considering and drafting the amendments we don't know. Since none of us who served on these Committees have been asked at any time for any further explanation of our proposals we are not too hopeful that any substantial amendments are immediately forthcoming.

Now I realize that the Government has had a myriad of other problems since these Briefs were submitted which it quite rightly believed to be of greater importance than amending bankruptcy legislation.

No doubt there are many things to be done which are more important than Bankruptcy legislation but its importance should not be dismissed too lightly. Since the Act was last revised in 1949 bankruptcy in Canada has grown from a minor problem into a national disgrace.

Many legitimate small business enterprises have been wiped out during this period due to their losses on their debtors' bankruptcies. More important than this, inadequate bankruptcy legislation and administration, in my opinion, has been responsible for the growth of almost complete disrespect for business ethics and commercial law among too large a part of our business community.

This reached its culmination last summer in the Atlantic Acceptance fiasco. I am not suggesting that if the Bankruptcy Act and its administration had been improved at an earlier date that Atlantic would not have occurred. I would merely point out that many of the cast of characters in the Atlantic affair were old hands in the bankruptcy game. We recognize a number of the individuals and had known of their association with Atlantic for a long time. Until recently none of these people had actually run afoul of the law however and neither we nor anyone else could possibly have suspected what was actually going on.

The responsibility for the collapse of Atlantic must be assessed by the Hughes Commission and the Courts. I will venture a personal opinion however, that the responsibility rests entirely with a small handful of not so clever but completely arrogant scoundrels who in no small measure acquired their business habits through their familiarity with the bankruptcy game.

Atlantic is probably the worst blow the free enterprise system in Canada has suffered in many years. It perhaps could not have been prevented because it is next to impossible to easily recognize a criminal conspiracy when the partners have the roles that they did in the Atlantic situation. After the fact of course, everyone, particularly the large American investors, started to look at the accepted procedures followed by Canadian banks, corporate trustees and auditors. I am completely satisfied that the bankers, the corporate trustees and the auditors of the parent Atlantic company followed procedures which have been in effect and generally accepted as satisfactory for years. In spite of this however a small group of people made a monkey out of a very large segment of the financial community.

What will happen now? Everybody is sitting back and saying again – why don't they do something! Presumably "they" means the Government. The Government is automatically supposed to have people who understand the problem and know how to solve it. Is it not rather ridiculous to assume that this is the case?

Left to itself I am sure that the Government is entirely likely to bring in a set of security laws, probably patterned after the S.E.C. regulations in the United States. They will likely follow the S.E.C. pattern not because this is necessarily what is needed in Canada but just because it is much easier to copy someone else's system than to devise your own.

In the Atlantic mess we lost the confidence of the investors we need the most. I am speaking of the major United States insurance and trust companies who had invested heavily in redeemable notes for the interest they could earn. As we have all been told, this is the sort of foreign investment we need in Canada in order to assist us to maintain a reasonable degree of ownership in our institutions. The Atlantic affair has certainly frightened these people, how seriously and for how long it is difficult to say.

Is the Canadian financial community going to be satisfied to leave the solution to this problem to the politicans and the civil service? I sincerely hope not. I am anything but an expert in investment and underwriting and corporate trust business but isn't it possible that our major lending institutions, the Trust Companies Association and the underwriters could get together and devise their own set of rules and procedures which would result in a much greater measure of control over the activities of the companies to which the life insurance and trust corporations are loaning such substantial sums. I don't think it would take a great deal of ingenuity to develop a form of questionnaire and a programme of inspection to be administered by the corporate trustee acting in these investment issues, which would provide a valuable supplement to the work performed and the responsibility taken by the auditors of the borrowers. Clearly the corporate trustee could not initiate such a programme. The demand and the impetus would have to come from the lenders and be worked out in co-operation with the underwriters and with the participation of the trustee. The trustee, (who would clearly have to be paid for such service), would hold possibly a mid year meeting with the officers of the borrower and its auditors to obtain information, the nature of which would be dictated initially at least by the prospectus.

I throw this out not as a considered programme but merely as an idea which might assist the participants to develop a better and a more selective form of protection for the lender than government on its own might come up with.

Whether or not such a suggestion has any merit I do believe that it is the financial community which should be developing the new rules in detail and taking them to the government for legislation. Leaving legislation of this kind to our elected representatives and the civil service to develop, is surely the fastest way to bring about the erosion of our free enterprise system that one can conceive of.

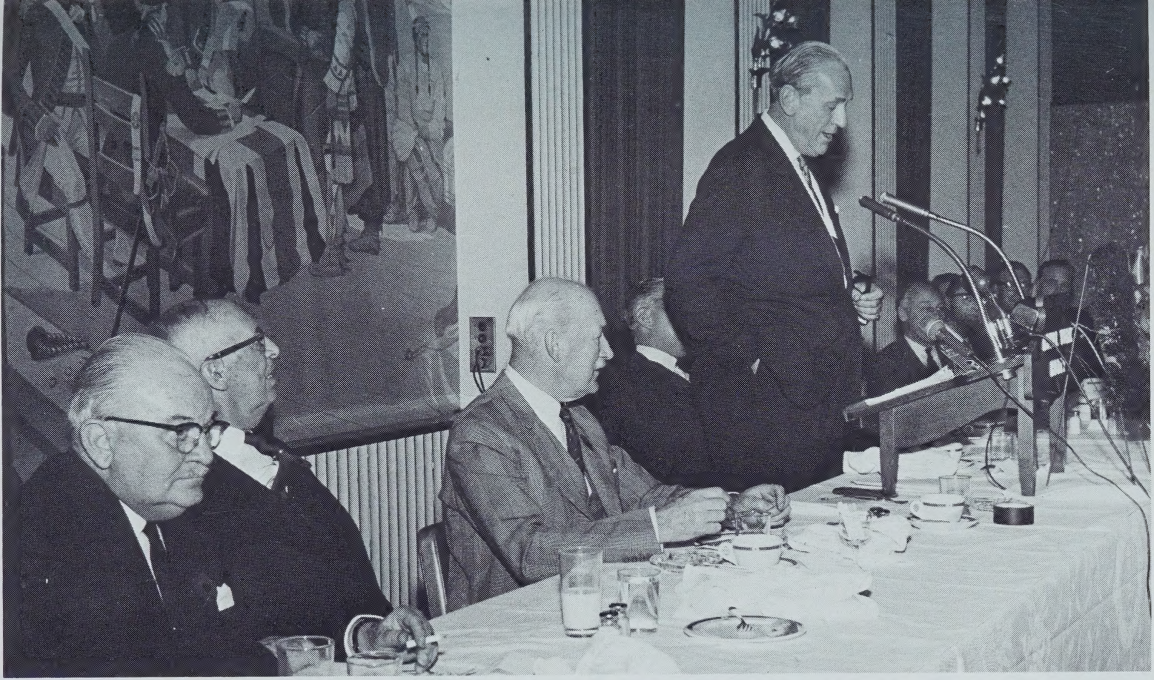
JUNE 24TH, 1965 – ROYAL VISIT DINNER
Her Majesty the Queen Mother is greeted by Hon. John Robarts, Prime Minister of Ontario, while the President looks on

OCTOBER 7TH, 1965 – HON. OTTO KERNER

OCTOBER 14TH, 1965 – WILLIAM R. ALLEN
Mr. Alan Y. Eaton looks on

A
ROYAL YORK
HOTEL

OCTOBER 21ST, 1965 – V. T. W. SCULLY
The First Vice-President, Mr. R. Bredin Stapells, appears on the left



November 11th, 1965 – Lord Boyd
Appearing in the picture from left to right are, Mr. Courtland Elliott, Mr. R. C. Berkinshaw,
Gen. Sir Neil Ritchie

NOVEMBER 25TH, 1965 – AIR COMMODORE L. J. BIRCHALL
From left to right, the President, Rt. Rev. E. M. Howse, Col. M. C. G. Meighen

DECEMBER 2ND, 1965 – HON. T. C. DOUGLAS

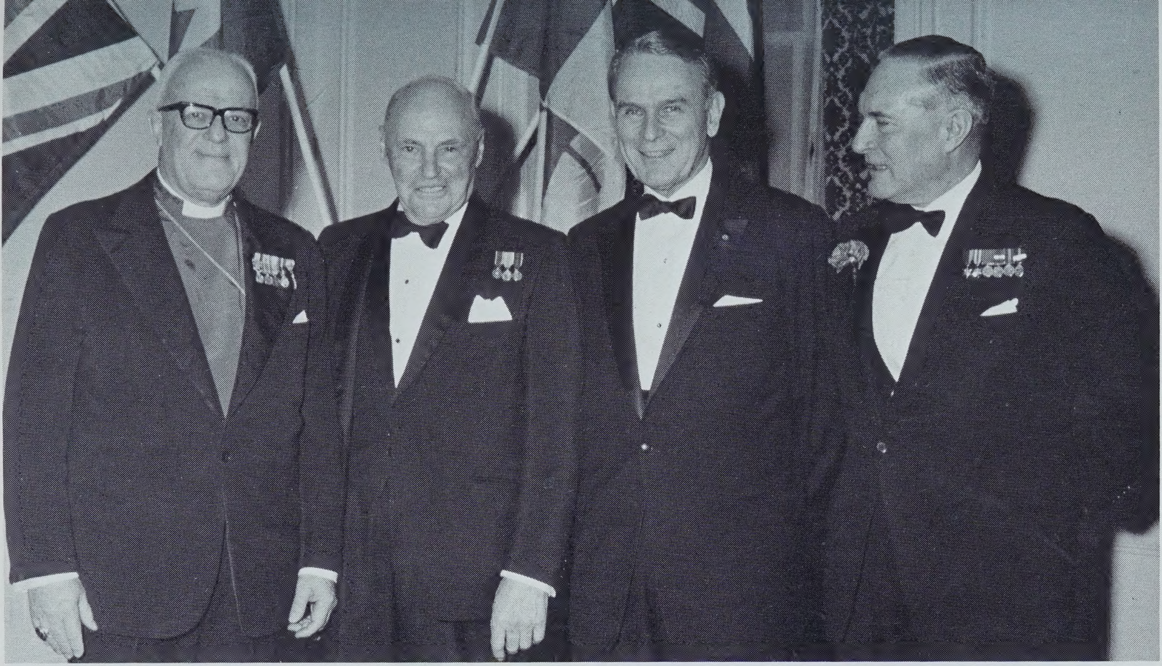
OF
CANADA
ROYAL YORK HOTEL

JANUARY 13TH, 1966 – THE LATE R. A. EMERSON

At that time President of The Canadian Pacific Railway Company

JANUARY 20TH, 1966 – HON. MAURICE SAUVÉ

FEBRUARY 10TH, 1966 – HENRY S. WINGATE



FEBRUARY 15TH, 1966 – GENERAL MAXWELL TAYLOR DINNER
From left to right, Rt. Rev. F. H. Wilkinson, Anglican Bishop of Toronto,
Hon. W. Earl Rowe, Lieutenant-Governor of Ontario, General Maxwell Taylor,
and the President, in the Reception Room before dinner

March 3rd, 1966
Hon. M. Paul Gérin-Lajoie and Hon. William G. Davis

OF
CANAD
ROYAL YORK HOTEL

MARCH 10TH, 1966 – MR. JUSTICE W. O. DOUGLAS

APRIL 14TH, 1966 – HON. S. J. RANDALL
Mr. Karl Scott appears on the left

April 21st, 1966 – Lt. Gen. H. D. Graham

April 28th, 1966 – Hon. George Hees

The responsibility of the press

No one claims more vehemently to support our free enterprise system than do the publishers and editors of our daily newspapers. Freedom of speech and freedom of enterprise is their creed and there is no doubt that they continue to exert a most important influence on the views and attitudes of the majority of Canadian citizens.

Our press claims to be responsible and by and large it clearly is. I wonder however if some of our editors and columnists should not re-appraise their thinking in certain areas.

They have long proclaimed the need to persuade top flight Canadians of experience and ability to run for public office and take on the onerous tasks of government. Most of them however appear to accept without question that it is the cardinal sin of political life to admit a mistake and retract a piece of legislation. Do the responsible members of our press and our business community really believe that we are going to solve the type of problems facing Canada today without making some mistakes in the process? The only way that is going to happen is if divine providence will remove our problems if we ignore them long enough.

I think we and our press would all agree that in order to make democracy work and in order to preserve the kind of Canada we have enjoyed it is becoming more and more essential that we get the best qualified citizens among us into government office. The persons who we must elect are those with energy and imagination and who will have the guts to risk making some short term mistakes in the pursuit of the long term solutions which we so obviously require.

Unless the press, and we of the business community, exercise some restraint and accept that to do the job that is going to be required some mistakes are inevitable, we won't be able to obtain these people. If this happens, we will continue to be represented by the type of politicians whose main stock-in-trade is an ability to relate humorous anecdotes and whose contribution to government consists solely of unceasing attempts to make his political opponents ridiculous.

Perhaps it would have been "old hat", but I was rather surprised and disappointed that at least one of our political leaders in the last election campaign did not remind our generation that Canada has been pretty good to us – that we have grown up in a wonderful country, in relatively easy circumstances and have enjoyed opportunities perhaps second to none. I was disappointed that someone with the stature to express it properly, did not remind us that our overriding responsibility as Canadians, is to preserve the kind in which our children can lead happy, rewarding and useful lives.

I am convinced that the climate which will permit them to do so is not going to be conferred on us automatically.

We are not going to achieve it unless our press improves in its responsibility for assisting our young people to understand what Canada really requires of its politicians.

Neither are we going to attain it if we in the business community confine our contribution to sitting back in our television chairs reading the business papers to pick up other peoples ideas, and complaining, why don't "they" do something! There are serious problems to be tackled right now. We must all get at them.

Thanks of this meeting were expressed by Mr. Robert L. Armstrong.

FEBRUARY 10, 1966

Some Responsibilities Of International Business

AN ADDRESS BY Henry S. Wingate
CHAIRMAN, INTERNATIONAL NICKEL
COMPANY OF CANADA LIMITED

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, distinguished guests, gentlemen–

Samuel Johnson, when asked by a lady why he defined pastern as the knee of a horse in his dictionary, replied "Ignorance, madam, pure ignorance"–I should like to set this up as a defence for any errors I may make regarding the manufacture, use and nature generally of nickel.

The encyclopedia tells us that nickel obtained its name because the copper and silver miners in Saxony found that ore containing this substance gave them a great deal of trouble and when smelted produced a brittle, unfamiliar product which they called kupfernickel after old Nick and his mischievous gnomes and when a man named Cronsted isolated nickel itself in 1751, he applied the name of kupfernickel or copper nickel–since abbreviated to nickel, the word which we use today. As you will be aware, Canada is a leading producer of nickel in the world and the International Nickel Company is, of course, the largest producer in Canada by a wide margin. It is, I think, safe to say that without nickel, iron and steel in its various forms would be much less useful to us and, of course, some 70% of all the stainless steel produced has a nickel content.

The Company of which our speaker today is the chief executive has, even in the last ten years, made a capital investment of more than half a billion dollars while outlays for research alone run some $15,000,000 per annum. Payrolls in Canada exceed $150,000,000 per year and more than $300,000,000 in foreign exchange is earned annually by International Nickel.

Many of you in this room are well aware of the tremendous contribution the Company makes to Canadian industry but, as the name implies, this is an international company and while its principal operations are in Canada, it also operates in a number of other countries. Our speaker will have something to say in a moment regarding the manner in which International Nickel discharges its responsibilities in Canada and elsewhere but it seems necessary at this time that we recall the estimates made not so long ago that Canada would require to import approximately 20% of her capital requirements if she would maintain an acceptable rate of growth over the next fifteen years. This seems to me to be the crux of the matter. We are not able to produce enough capital to finance our own developments – we should neither be ashamed of this nor too apprehensive for the same pattern has been followed by countries such as ours for many years. Over the years other countries in the same position have reached acceptable compromises with those providing capital and have preserved their sovereignty in the process. I have no doubt that Canada will manage this as well. Unfortunately, our recent behaviour is reminiscent of the situation described by one of the restoration authors who wrote of the case in which a young man is found in bed with a lady of flexible virtue when her husband appears. The husband says "And what are you doing here, sir?" Whereupon the lady turns and says "Yes, what are you doing here?" And rising from her couch she assists her husband in kicking the young man downstairs! In view of the efforts made to attract investment from outside the country in the post-war era, the comments made recently by a number of people–some of whom should know better–might well confuse our friends in other countries.

Our speaker today is the Chairman of the International Nickel Company of Canada and has been with the company since 1935, moving through the various posts from assistant secretary to director, vice-president and in April, 1960, chairman of the board and chief officer. Mr. Wingate has a multitude of directorships and, in Canada, is a Director of the Bank of Montreal and the Canadian Pacific Railway Company. A patron of the arts, he is also deeply interested in good works of various kinds. He is a Director of the Public Health Research Institute of the City of New York, the American Hospital of Istanbul, a Trustee of Carleton College, Northfield, Minnesota, and of the Annuity Fund for Congregational Ministers. He is a Member of the Congregational Board of Ministerial Relief. Active in a wide number of organizations, he is a Member of the Council of the Association for the Aid of Crippled Children, a Member of the Canadian-American Committee of the National Planning Association, the Canadian Council of the National Industrial Conference Board and the Canadian Institute of Mining and Metallurgy to name only a small fraction of his responsibilities. Our speaker was born in Turkey where his parents were missionaries. He graduated from Carleton College, Minnesota, and the University of Michigan Law School.

Gentlemen–may I present Mr. Henry Smith Wingate, learned in the law, a patron of the arts, tireless in charitable endeavour, an executive of international reputation and unexcelled eminence in the field of business.

MR. H. S. WINGATE: It is a great personal, as well as corporate pleasure, to appear before such a distinguished group. Canada is our home–and we are proud of it. For sixty years all of our mining and smelting operations and the great bulk of our employment have been here. But Inco's markets are mainly outside Canada. Of necessity, more than a good bit of our operations and activities are and must be in other parts of the world. Also, while we are exploring heavily in Canada, our search for resources has taken us to other parts of the world, and as time goes on, we expect to have sizeable operations there as well as expanding Canadian operations here. Precisely because we are a Canadian-based international company–because Canada is our home –we believe we have a special obligation from time to time to share with our friends our thinking on how we are carrying out our operations, not only here, but also away from home. I appreciate the opportunity you have given me today to do just that.

Specifically, I want to review some of the problems and responsibilities of international business. In doing so, I am naturally going to reflect the thinking which arises from our experience and which guides my own company's operations. But I feel that the subject is of interest to business leaders and, indeed, to the wider public.

This interest stems from the fact that we live in a world where, increasingly, all business is becoming international in scope. How effectively business performs in this broadened role certainly will have a great deal to do with its own success. But I anticipate it will also have a great deal to do with shaping the course of our children and those who follow them over the next several decades.

I do not think that this latter suggestion is too extravagant an expectation. It is widely acknowledged that the direction taken by the less-developed countries in Latin America, Asia and Africa will be profoundly influenced by their success or failure in fulfilling their hopes and their expectations, and that investments and fresh energies flowing in from outside sources must play a very large role in this. Similarly, the cohesion and strength of the Western world will be greatly affected by whether we can continue to advance economically and whether at the same time the gap between the richer and poorer nations can be narrowed significantly and progressively without sacrificing human dignity and authentic national interests. In these significant and perhaps fateful tests of our Western political and economic system, international business will play an extremely important role.

Viewed on the basis of more ordinary self interest, the readiness of business managers to look beyond national borders is bound in the years immediately ahead to make a considerable difference in the growth curves of individual enterprises. No large business organization can afford today to turn its back on the world even if it has a continental market at its door. Nor can any firm rest content with traditional methods because "we've always done it or made it this way." We are in an era of rapid change. The future belongs with those who see and understand the relevant new factors and act accordingly.

There are important truths which are sometimes concealed by familiarity. So at some risk of labouring the obvious, may I touch briefly on two basic respects in which the modern world is different from what it was when we entered World War II.

In the first place, although it is deeply divided politically, the world has become very much of a geographical entity. Transportation and communications advances have shrunk distances to a fraction and have drastically intensified our contacts with other nations–and other cultures.

The second, but perhaps not fully appreciated force at work in our time is an acceleration of the pace of events. Since the beginning of World War II, world political power has been thoroughly redistributed. The Thousand Year Reich and the Empire of Japan have vanished. The two great power blocs have inherited the arena, and Red China is rising to complicate further the calculus of relations with the Communist world. Meanwhile, since 1950 alone, 49 new nations have come into being and have staked a less than silent–less than patient–claim for political and economic attention–a claim which is being vigorously joined by other developing nations around the globe.

There probably has never before been a period of comparable turmoil and achievement. Most of us would agree that the cumulative impact of technology, the increasing diffusion of knowledge, and the political forces unleashed by the war itself have all been contributory factors. But the reasons are less important, I think, than recognition of the vital fact that the tide of events is moving powerfully and with great rapidity. It is doing so not only in great affairs of state but in the ambitions and hearts of men everywhere, including those in the business world.

Interdependence is increasing, and it is going to keep on increasing. At the same time, the margin between today's solutions and tomorrow's problems is decreasing. Recognition of these trends and the enormous speed at which they are moving is as much an imperative of business leadership as it is of world political leadership.

The central task of those of us in business remains what it has been throughout the modern era–to find profitable ways of linking resources in one place with markets in another, to assemble and put to work capital from willing individuals and institutions wherever they may be located, and to attract people with the necessary skills and talent from wherever they are to wherever they are needed.

The central task remains unchanged, as I have said, but it has grown considerably more complex. Increasingly, the linkage is between resources in one continent or country and markets in another. Increasingly, investment capital flows across national borders, and the ownership of international industry is shared by a large number of individuals and institutions in various countries. Increasingly, technical know-how, the ability to efficiently organize an operation and the will to take decisions and get things done must be transported to project sites far from home.

The resulting complications present certain very serious problems for the international businessman, and some of them are different in kind, not merely in degree, from the familiar problems of domestic business.

For while throughout the adult lifetime of all of us here, it has been part of successful business performance to try to reconcile the interests of various groups of people with different expectations and different needs, a great many new factors enter the equation when a corporation begins to operate in more than one national environment.

Necessarily, the international businessman seeks to base his decisions primarily on sound economic grounds in order to survive and achieve a maximum degree of efficiency, growth and stability for his organization. Yet he must face up to hard problems, such as the one arising when a facility in a small, developing country with only a few industries is merely one unit out of a number of units of the international company in all countries; and when the success of the operations of that single facility may be far more important to that country than the importance to another country with many industries of the international company's similar facility there.

National interest and aspirations sometimes give rise to demands which are inconsistent with ordinary essentials of efficient management. Particularly when international businessman ventures outside of the Atlantic Community, it is frequently dangerous for him to assume that we will encounter sufficient or timely recognition that the free enterprise system is of great service to society and that interference with business decisions should be held to a minimum. In many areas of the world, private enterprise – particularly if it has a foreign nationality – is viewed as a specially selfish interest whose motives are suspect and whose every action must be closely watched.

Because this attitude is so often met, international businessmen sometimes respond with exasperation to assertions of national interest which conflict with their own business judgments. Without denying that there are occasions on which this exasperation may be fully justified, I think it is also important to acknowledge that national needs, national goals, and national customs are very serious and legitimate forces – and they have a proper claim for recognition from any businessman in any country in which he operates.

Some of the problems that grow out of the difference in viewpoint, dependent on whether one looks at a problem from a strictly national view divorced from business realities, or from a strictly business view divorced from national realities, can be difficult to reconcile. I think it is worth mentioning several of the problem areas because this will suggest how crucial it is to achieve some sort of solution.

For example, it is essential to a business to have assurances of the amortization of its investment and withdrawal of profits not needed for modernization and expansion. Yet many new or underdeveloped countries are desperately short of foreign exchange as well as of capital and quite understandably welcome the inflow but not the outflow of funds – quite understandably they may lose sight of the fact that the inflow was dependent both on development of the outside market as well as on the domestic production.

Balance of payments problems can be a source of difficulty likewise to the capital-supplying countries so that the desires of international corporations to respond to overseas opportunities may conflict, as in the United States, with efforts there to restrict direct investment outflows so as to minimize its immediate adverse balance of payments.

From the standpoint of an international corporation and its success in launching the foreign venture, it is important to bring in needed technical and managerial personnel and to import such specialized equipment of its own choosing as may be required for a particular project. On the other hand, some countries are understandably impatient to have their own experts trained and placed in well-paying positions immediately.

I think that you will agree that these illustrative but incomplete items of opposing considerations are very real, and that in each case there are legitimate interests and considerations on both sides.

Reconciling these considerations is – to put it mildly – no easy task. Indeed, a thorough reconciliation is probably not possible, though with respect to individual problems there are steps which would clearly alleviate the principal difficulties. For example, over a period of years a corporation which works hard at the task can certainly train large numbers of local technicians and local managers, some of whom may rise to positions of authority, not only in the local subsidiary, but in the parent firm. Similarly, local capital when it exists can be given an opportunity, either through stock purchases or other appropriate means, to participate in the ownership of the local enterprise or of the parent firm.

But the problems I have outlined vary in their tractability. Some of the more difficult problems do not appear to lend themselves to a single solution or even a set of solutions. But this does not mean that they are unsolvable.

So long as each group and each interest make an effort to understand the other's essential requirements, and so long as each is willing, as exigencies allow, to adjust and to compromise, I believe that some form of accommodation will generally prove to be feasible.

Obviously, this spirit must be mutual. But from the viewpoint of international business, it seems to me that there are several basic principles of operation which will aid materially in developing a climate for understanding. These are the principles, incidentally, that Inco attempts to follow in its international operations:

First, projects must be planned on a long-term basis and must be of benefit to the nation involved and its nationals, as well as the company. The quick profit simply cannot be the foundation of a successful international business operation; a proper objective is profitability resulting from stabilized operations through the years. Furthermore, mutual benefits must be implicit in the approach. Just as a corporation cannot initiate or continue an operation which is destined to be unprofitable, so no country with power over its own affairs can be expected to offer its hospitability to a firm which offers no hope of making a long-range contribution to national interests. Once a commitment is made to a long-term effort with shared benefits – a commitment attitude as well as resources – a number of subsidiary developments necessarily follow and fan out, involving the establishment of lasting relationships with local people, local industry, and local communities. These are bound to improve the prospects for systematic understanding.

Second, as businessmen we must recognize that ultimately our success is dependent upon the support of the society in which we operate. Continuation of the right to engage and try to succeed in business ventures may depend crucially on our being acutely sensitive to local public opinion in fields which converge upon our business judgments. We must have a due appreciation of the public consequences of our actions. Within the limits of sound business practice, we should be prepared to explain to the public what we are doing and why. It is imperative to recognize that when a business organization achieves a certain level of economic significance or visibility, it becomes subject to a substantial measure of public curiosity and concern. To the extent possible, we should be prepared to talk candidly to a wider audience than the conventional triumvirate of shareholders, employees and customers. I am convinced that, if our motives and our achievements are understood, this, too, will improve the prospects for avoiding conflicts.

Third, the international corporation and its representatives must be prepared to identify with the aspirations of the people in the country involved. I do not mean merely that we must conform passively to local laws and customs, though this is important. Of course, our central contribution to the country involved is our providing direct and indirect employment opportunities, our stimulation of secondary and service industries, our bringing in of foreign exchange, and our making of profits from which to justify the investment–to plow into future stability and expansion–to contribute to the country's tax revenues. In addition to all of this, however, we must be willing to dig deeply into the society–to understand the values and the hopes of the people, to share their concerns, and certainly to put our talents to work to help solve their problems. Financial aid to higher education, cultural and worthy charitable projects, while often part of it, are but only a part of it. If we are to be accepted as local citizens, we must show that we regard ourselves as local citizens, that we are participants, not merely spectators. I, for one, am convinced that we can make other important social contributions in the countries where we operate if we put our imaginations to the task and if we are prepared to devote time and energy to community activities. Of necessity, this must be largely a matter of individual responses. But if management adopts an encouraging attitude and provides an effective example, I have no doubt that results would soon be felt.

Fourth, and perhaps most important, I believe that international business must scrupulously avoid interfering in the political affairs of foreign countries. I wish to be quite precise on this point. I believe that a corporation in order to function and serve effectively should present its views to political authorities on matters which directly or indirectly affect its operations.

It should, in other words, make representations to the government and acquaint the local public with the attitudes on issues relating to the treatment of investment, taxation, tariffs, labour policy, and the myriad of other matters affecting it. I believe also that local citizens who happen to be associated with the corporation in some capacity are entitled to participate in local politics if they wish–but not as spokesmen for the corporation.

Having said, however, what I believe the corporation and its local employees can do, let me now emphasize what I regard as prohibited territory. I believe that a foreign corporation has no licence to intervene in behalf of a particular party or a particular candidate. It has no licence to resist or advocate social reforms. And these same prohibitions extend not only to the foreign corporation but to foreign nationals in the corporation's employ.

To put it another way, we serve best the interests of the particular country in which we are operating if we are free to express our views on matters relating to our commercial interests, but we should not and must not seek to impose our views by political action. We must always recognize that the final authority in these matters resides with the people and government of the country which has received us.

I would not contend that the four principles which I have enunciated will solve all the problems which arise in a business organization operating in foreign countries. However, as I suggested earlier, we at Inco firmly believe that these principles can serve to create an amosphere of mutual respect. Problems will continue to arise with frequency. But they can be compromised without the sacrifice of anyone's essential interests if the ground has been properly prepared and if all concerned recognize the mutual benefits which can be achieved through a harmonious resolution of the problems as they arise.

Canada is a large exporter, and thus Canadian firms have for many years been doing business in other countries in other parts of the world. This will continue and grow, and in many cases a straight export business will be complemented by operations of other types in other countries. Our purposes will be commercial, but in pressing our commercial ends, we are bound to have a significant effect on how less developed countries–many of them new entities–will develop and grow. I have in this talk tried to touch on some of the problems involved and some of the principles which I believe are apt for meeting them. Precisely because the successes or failures will have implications beyond the purely commercial side, I felt that this is a pertinent and timely discussion for a group such as this.

Central to Inco's thinking is that we will succeed to the degree that we are sensitive to the legitimate views of those involved, responsive to them, and are adaptable and imaginative in finding means of reconciling the many interests.

Thanks of this meeting were expressed by Lt. Col. R. H. Hilborn, M.B.E.

FEBRUARY 15, 1966

Viet Nam Today

AN ADDRESS BY Gen. Maxwell D. Taylor
SPECIAL CONSULTANT ON DIPLOMATIC AND MILITARY AFFAIRS TO THE PRESIDENT OF THE UNITED STATES

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

We of the Empire Club never lose sight for one moment of the objective defined more than sixty years ago, the welfare of the British Commonwealth, and of Canada within the Commonwealth.

Due to a series of regrettable misunderstandings concerning, so far as I can make out, a tax on tea, the most important member of the family left the parental roof in 1776, and to the astonishment of everyone they have done quite well.

One hears constantly that one learns nothing from history. However, I suggest that our genial Provincial Treasurer, Mr. Allen, must be an exception. Tea is the only thing he did not tax in the recent budget.

I understand that there are secret documents, however, in the musty files of the British Foreign Office that indicate that the issue was not really tax on tea but the fact that the colonists could not bear drinking English coffee, and they are quite right too.

It is, of course, unfit for human consumption and we must assume that this was the equivalent of fallout in an earlier age.

However, despite some minor misunderstandings in the past and the recent appearance of guide lines, whose only virtue appears to be a vagueness which makes them incomprehensible, we of the Empire Club of Canada welcome with all our hearts the distinguished representatives of the United States of America.

It is also a source of pride and gratification to us that we are honoured tonight by the presence of the personal representative of our well loved sovereign lady, Queen Elizabeth, in the person of His Honour, the Lieutenant Governor.

It is a privilege of youth to dissent. Someone has suggested that anyone who is not a Communist or a Socialist when they are eighteen is just as odd as the man who is one when he is twenty-five.

Your Honour, tonight you are with men who are loyal to the Queen and all she stands for. Most of us have served Canada and the Crown in two wars, and if anyone asks us why, we can only say if they must ask they can never know.

It is my great privilege to call on our past President, Mr. John W. Griffin, to propose a toast to the Empire Club of Canada.

MR. GRIFFIN:

Mr. Chairman, Your Honour, Your Excellency, My Lord Bishop and gentlemen. Perhaps the only justification for a toast to the Empire Club on an occasion such as this is that in paying honour to the Club we are really paying honour to the ideals and institutions for which it stands.

This old and much loved Club has endured through sixty-five of the most momentous years in the history of man, and has ever stood true to the enduring values, the permanent ideals, that alone carry him from generation to generation. The men who founded this Club lived in such a different world! While the shadow of war was dimly visible on the horizon to a discerning few, our founders were the heirs of the long Victorian peace, the beneficiaries of the Pax Britannica.

I am sure there are a few senior members in this room who have youthful memories of this halcyon era, memories of a world in which North Americans could go about their business in absolute security, knowing that the Royal Navy, which they never laid eyes upon, was not only *ultima ratio regis*, the King's last argument, but the final arbiter of world affairs.

The guns of August, 1914 shattered this seemingly idyllic world and the Nazi horror gave it the *coup de grâce.* But all of this is nostalgia, and if man only looked back he would have perished long ago. It is not for nothing that hope is one of the three theological virtues. Man's greatest prop, his greatest chance for happiness in this world, as in the next, is that if he tries he will improve.

Perhaps the chief criticism of Victorian man is that he was, but had ceased to become. His world was too satisfactory, too ordered, too settled and too secure. No one can say those things of us. We are not satisfied with our world and therein lies our chance for greatness.

We have, I trust, held fast to the enduring values for which The Empire Club stands. We believe in justice and charity for all men and all nations large and small. We believe in representative government and the Common Law of England just as our fathers did, but there is one great difference. Our founders could afford to be smug. We can not. We know that unless we put these things into practice, unless we try, we will perish.

We are everywhere surrounded by dangers which cannot be dispelled, as they could at one time, by the dispatch of a light cruiser or the landing of an expeditionary force, which cannot be dissipated by fire and sword.

During the past few weeks I have been reading a remarkable book called *The Battle of Dien Bien Phu*, in which the author shows how a great western nation with an army of trained professional soldiers and a plentiful supply of all the apparatus of modern war was defeated in battle by an army of peasants armed principally by faith, ideals and a sense of destiny. It's a sobering thought.

Our ever-growing mastery of the physical world, even the physical universe, holds forth bright promise for the future, but only if, at the same time, we master ourselves. This is the area where we must strive. This is the only sure avenue to a new age. We must not be satisfied to be, we must try to become, and we must try now. In the words of Churchill, "Let us so conduct ourselves that if our era lasts a thousand years men will still say, this was our finest hour."

Let us drink a toast to the Empire Club and the traditions for which it stands.

THE CHAIRMAN:

Your Honour, Your Excellency, My Lord, distinguished guests and gentlemen. For some obscure reason I am reminded of the boy who lived in the Highlands who was about to take his first journey to London, a very wicked place. And his father, endeavouring to provide for all eventualities had the Presbyterian minister in to give the boy an hour and a half's discourse on the perils of the City and the danger that might attend one's soul. At the end of the time the minister emerged looking extremely grim and the father said, "Do you think it will stop him from sinning?", and he said, "No, but he will not enjoy it."

Which has nothing whatever to do with the discussion tonight. But I must have been sinning because when Her Majesty, the Queen Mother, was here Colonel Legge was good enough to give my speech and tonight Mr. Griffin has been kind enough to do the same thing.

I think you are very much in his debt.

The reputation and international stature of our speaker tonight, and the intense interest in the subject with which he will deal, are amply attested by the size of this gathering.

Unfortunately a sizeable number of our members and their friends could not be seated this evening, and as President of the Empire Club, I must apologize for this and inform those who are disappointed and may be listening that we have very strong security forces available here in the hotel to protect people, like the President of the Club.

In order to understand a problem it is necessary to define it. I propose, therefore, to mention briefly what a citizen named Lenin had to say about Communism. He said, "The perfect society must be built under an autocracy using terror as a normal weapon. The happiness of the present generation and the rights of individuals are of no importance. No sphere of human endeavour is to remain outside the grasp of the Party. Social justice and perpetual peace will be achieved after the liquidation of all opponents, actual and potential." Too bad we can't operate that way in business.

Lenin believed and later proved that a small group of highly disciplined, resolute, dedicated people can seize power. He was convinced that western society could only be destroyed, however, if Communism won the support of the national movements in Asia and Africa, and as early as 1920 a Congress of oriental peoples was held at Baku to further this idea. I mentioned these points so that we can understand what me mean when we speak of Communism.

The irony of the thing is, of course, that as Russia moves forward to a better way of life for her people, she moves farther away from these original concepts, while China and North Viet Nam retain them in their original purity.

So far as Viet Nam is concerned, Indonesians ruled a good part of that unhappy country for 1,200 years, and the Chinese ruled it for 1,000, or the southern part of it. The history has been violent with religious persecutions, insurrection and invasion, recurring constantly. But always in the background has been China, the country which conquered Viet Nam on several occasions and which is still terribly feared.

This is a rich country, and before World War Two had an excellent balance of trade unlike another country not quite so far away.

Of course they may not have had the benefits of democratic government.

Actually, you know, in 1940 after the fall of France, when the Commonwealth stood alone, there is no doubt that that was a tremendous watershed. We were sure we wouldn't lose but we were damned if we knew exactly how we were going to win.

A year later, of course, Germany presented us with Russia as an ally, and six months after that Japan provided the one essential to our success. They bombed the Pearl Harbour. At that moment of treachery and shock our great neighbour to the south quite unwittingly and quite unwillingly assumed the mantle of world leadership which she still wears and must wear for years to come.

Having saved Europe from Communism in 1948 by what has been described as the most generous gesture ever made by a nation–I refer to the Marshall Plan–and after having taken up the gauntlet in Korea in 1950–in more recent times she has drawn the line in Cuba, and she is now engaged in Viet Nam at a cost in blood and treasure which increases daily.

However these exertions have had their reward, and scarcely a day goes by that she does not receive advice.

Almost anyone–a politician giving advice to the United States becomes a statesman. I want that clearly understood.

And material support has not been lacking. Australia sent infantry, New Zealand sent artillery, and Canada, to the absolute horror of Ho Chi Minh is about to send two shiploads of drug sundries.

No one can suggest that we are not right behind–well, some distance behind, but we are behind them.

We are behind there somewhere anyway.

To become a bit more serious on a very serious subject, tonight we shall hear a talk on probably that most controversial problem of our time, given by a senior advisor of

President Lyndon Johnson, whose knowledge of this subject is unique.

Our speaker tonight is a regular soldier, born in Missouri, and he has shown a great many people a great many things since that time. A graduate of the United States Military Academy at West Point, he attended the School of Engineers. And then came the dawn and he went to the Field Artillery School.

The Command and General Staff School was his next bit of training and then the Army War College. And in the wars before World War Two, from 1922 to 1940, he not only learned the practical side of soldiering but also instructed in French and Spanish and later studied Japanese in Tokyo.

He was Assistant Military Attache in Peking and at the outbreak of war was on a special mission to Latin American countries.

During the war he had the privilege of serving with two of the finest divisions of fighting men in any army in the world. I refer to the 82nd Airborne Division, in which he was the Artillery Commander and the 101st Airborne Division, which he commanded.

Many of us had the privilege of serving beside these units in action, and the quality of the troops needs no further comment.

Sometimes the biographical notes obtained from the speaker are not entirely complete and those of our speaker tonight require two slight additions. He neglected to mention that at great personal risk he passed through enemy lines twenty-four hours before the Allied Invasion of Italy in 1943, to negotiate with the Italian leaders in Rome regarding the possible airborne seizure of the Roman airfields.

He also neglected to mention his Division, the 101st, won undying glory for the defence of Bastogne during the Battle of the Bulge. Being very modest he said he was in London at that time.

In 1949 he was Commander of the American Military

Government and Army Forces in Berlin and in 1953 commanded the 8th Army in Korea.

In 1959 he retired but not for very long. In 1961 he was called back to the White House as Military Representative to the President of the United States. In 1962 and '64 he was Chairman of the Joint Chiefs of Staff.

In 1961 President Kennedy sent him to Viet Nam to investigate the situation, and he was there for some time, coming back in '62 and '64 as Chairman of the Joint Chiefs.

In 1964 he was appointed Ambassador to South Viet Nam. During the two years of his retirement he became Chairman of the Board of the Mexican Light and Power Company – he didn't exactly retire too much, I wouldn't say – and President of the Lincoln Centre for the Performing Arts.

Eighteen foreign countries have awarded him decorations. He is a Knight Commander of the British Empire, Commander of the Bath, holds a D.S.O. from Britain. Decorations awarded by his own country – and this Britain couldn't give because they didn't have them – Distinguished Service Cross, Distinguished Service Medal with three Oak Leaf Clusters, Silver Star with Oak Leaf Cluster, Legion of Merit, Bronze Star, Purple Heart, Presidential Unit Citation, with Oak Leaf Cluster, and the United Nations Service Medal.

Gentlemen, this is a man who has devoted his life to the service of his country and of the free world. And now, when he should be enjoying his retirement he is devoting his energy, knowledge and exceptional mental powers to the service of his President and his country, and the solution of those problems on which the future of mankind hangs at this critical time in history. He has also retained his sense of humour.

It is my honour and privilege to present tonight General Maxwell Davenport Taylor, Special Consultant on Diplomatic and Military Affairs to the President of the United States.

GENERAL TAYLOR:

Your Honour, Your Excellency, Mr. Chairman, and gentlemen.

I am indeed honoured to be asked to come to the Empire Club tonight, and to return to Toronto. A number of you before dinner have been welcoming me to your City as if I had never set foot here before.

Your Chairman mentioned the fact that in my dubious and checkered past at one time I was Chairman of the Board of the Mexican Light and Power Company. He didn't explain that this was a very unusual commercial enterprise. It did all its business in Mexico. It was owned largely by Belgians. It got most of its money from Wall Street. But it had its centre right here in Toronto.

And I have enjoyed the culinary delights of this fine hotel many times in the past and I am most happy to come back again. It is true that in the past I have always been on an expense account.

I was very much interested to find that you were willing to ask me to come back, with or without an expense account, to talk about a subject which has been very much on my mind over a number of years. Only recently–in the comparatively recent past–has it been on the minds of my fellow countrymen, and I am indeed interested to find that it has assumed a certain importance here in Canada.

I have been in and out of the problems of Southeast Asia since 1954 when I first visited there in my capacity as a Commander in the Far East, trying to understand what had been taking place following the Geneva Accords and the partition of Viet Nam and the movement of population north and south.

Since that time I have been coming back and forth [in Washington at least] trying to attract the attention of many of my friends and officials in our Government and getting them to listen to my view that we were acquiring a growing problem in that part of the world.

Well, like the reception of the Ancient Mariner, I was normally brushed off and asked to discuss our latest golf scores.

But since I came back from my assignment as Ambassador last August, I have been tremendously impressed with the fact that in the United States at least there is a single overseas problem, the problem of South Viet Nam. It has even been said that we are mesmerized with that problem.

To me, of course, to some degree this national interest is gratifying. I think it is high time we took an interest in this situation, and I am most gratified that indeed the interest in Canada has justified your asking me to discuss this subject.

Sometimes I have been a little startled by the manifestations of interest in the United States. Shortly after I returned last summer I was asked to address the Commonwealth Club in San Francisco, and in my innocence I drove up to the main door of one of the principal hotels and found it was being picketed by a rather dubious looking crowd of young Americans and some old Americans. They carried banners, "Down with Viet Nam", so I, in my friendly way, opened the window of my limousine and said, "Hello boys and girls", whereupon they threw in a mass of pamphlets which read "Taylor is a war criminal".

This rather startled the newly returned Ambassador, but he was even more startled when they then followed him into the hotel, where the Manager was trying to get an elevator – they jammed the elevator so it wouldn't run – so the Manager and I had to elbow our way by football tactics to get to the safety of his office whereupon we closed the door, locked it, and the demonstrators started to beat the door down.

Well, this would be a story in itself but the telephone then rang and someone said, "Mr. Ambassador, Washington calling." On the other end of the line was a very serious State Department official saying, "Mr. Ambassador, you will indeed be distressed to hear they are having another student riot in Saigon."

This brought home to me a fact which I had not appreciated when sitting in Saigon. I thought we were faced only with the problems of the Viet Cong, Hanoi and possibly Peking. But we do have a problem on the domestic front of the United States; I would say on the domestic front of the free world, and a great difficulty in explaining what is taking place in that remote but very important part of the world 10,000 miles from here tonight.

As I read editorials, as I debate with my friends, as I appear before Congressional Committees, I feel that many of the critics of this situation are talking about a world I just don't know. Their world is not what I saw in Viet Nam. The problems there are great, but the problems we see on the so-called domestic front frequently don't exist. By the same token, many of the problems which are very great on the spot there are not appreciated here.

So tonight, if you will permit me, I will use the title of my talk, Viet Nam Perspective, to try to lay out the basic problems we have in that country, what we are trying to accomplish and what our alternatives may be. I would like to pose three questions and then attempt to answer them.

What is the basic objective of our foreign policy in South Viet Nam, the basic objective of our military and our diplomatic efforts in this part of the world? Having stated the objective, then I will try to describe what has been the strategy which we have been following since at least early 1965, and then ask and try to answer the question, the most important of all, can we do better in the future?

If I were asked to reply in very simple terms to "What is taking place in South Viet Nam?" I would say we are seeing a clash of basic objectives, of basic purposes, of basic interests; on one side the Chinese branch of the Communist bloc, Hanoi, the Viet Cong apparatus, which belongs to Hanoi, and behind Hanoi, Peking. And on the other side, the bloc representing the free world interests, the victim country, South Viet Nam, supported primarily by my country, but in addition to that assisted by over 30 countries of the free world. These are countries that contribute either men or money or assistance in some way to the government of South Viet Nam.

Now, what are these two purposes which are in conflict? On the side of the Hanoi-Peking axis it has been perfectly clear since 1954; it has been their determination to take over South Viet Nam, assimilate it into a single, Communist, Vietnamese state directed and controlled by Ho Chi Minh and his advisors in Hanoi. In so doing, it is quite apparent to the Communist leadership that they must remove the influence of the United States and the friends of the western world from Asia, and in so doing they will demonstrate the efficacy of the so-called "War of Liberation" which they hope to be the sure-fire tactic and technique for the future expansion of militant Communism.

Now the corresponding objective on our side is equally simple, equally clear, and has been adhered to from 1954 to the present time. President Johnson has stated our basic objective in his speech in Baltimore on April 7th of 1965. "Our objective is the independence of South Viet Nam in its freedom from attack. We want nothing for ourselves, only that the people of South Viet Nam be allowed to guide their own country in their own way."

Well, just as that is our basic objective, there are also collateral objectives, as there are on the Communist side. We are prepared to show that a "War of Liberation" is not the cheap and easy way for the expansion of Communism. I should pause and define what we mean by a "War of Liberation". This is a term of Communist jargon which has appeared in the writings of Lenin and Marx in the past, but only in about 1960, after Hanoi had declared a "War of Liberation" on South Viet Nam, did we really appreciate that this is simply an old game under a new name, that a war of liberation is the use of guerrilla warfare to assist political subversion directed at overthrowing a non-Communist government. And usually the source of support for this guerrilla movement comes clandestinely from a source outside the country under attack.

Now, we have seen this in Greece, we have seen it in Malaya, we have seen it to some degree in the Philippines. But only in South Viet Nam have we observed the classic fruition of this concept of a subversive war with clandestine external support. The importance of the outcome of this test to the Communist leadership I will comment on in a moment.

It is our basic feeling that the fifteen million people of South Viet Nam have their right to decide whether they want to be a Communist state or whether they want to be an independent, free nation–to give them that choice is our basic objective. And in addition we are aware that failure to attain that objective will justify Hanoi's faith in the sure-fire quality of a war of liberation as a means of expanding Communism elsewhere.

Now, is this issue important? This question is being hotly debated in the United States. As we know, the pause in the bombing, the 37 days when we suspended our air operations, gave time for a complete new look, so to speak, at our basic objective and our methods for reaching that objective. In this period of time I have never known more intense discussion in government and out of government on the merits of what we are trying to do and the success demonstrated by our methods.

I would say that at the termination of this period most of us were satisfied that the soundness of our objective could not be impugned. I know of no one in Washington, no one in authority who would suggest that the objective which President Johnson enunciated, namely the independence of this little country and its right of self-determination, was not an objective which deserved our continued support.

In deciding whether our course of action was worth the vast effort which we were putting into it we were impressed by the argument that it must be important because the other side was so convinced of the need for success. The "War of Liberation" has been exalted by Communist speakers, beginning with Khrushchev in 1961. He proclaimed that henceforth the "War of Liberation" would be the favourite tactic of expansive Communism. General Jiap, the Commander-in-Chief of the Armed Forces of North Viet Nam has indicated that the testing ground in Viet Nam is of the utmost importance. He made the statement that "South Viet Nam is the model of the National Liberation Movement of our time. If the special warfare that the United States imperialists are testing in South Viet Nam is overcome then it can be defeated anywhere in the world."

In a recent interview that Mr. Reston of the *New York Times* had with Kosygin, the latter said, "We believe that national liberation wars are just wars, and they will continue as long as there is a national oppression by imperialist powers."

"Take South Rhodesia," he said, "there will be a national liberation war there." Marshal Lin Pioo, who is the Robert McNamara of Peking, made a very significant statement in September of last year in which he outlined the foreign policy of China for the future. In many ways it reads as fantastically as *Mein Kampf* and some of the statements of Hitler and Mussolini. Although perhaps not realistic, it states very clearly that the Chinese leaders expect that the "War of Liberation", after its success in South Viet Nam, will be carried into Africa and Latin America and other parts of Asia.

Hence if our opponents feel this issue is so important it certainly must be important to us, not just to us Americans but to you Canadians and to all the western world.

On our side, we have had ample statements from our leaders over the course of time as to the importance of this situation in Southeast Asia. General Eisenhower when he was President in 1959, warned that if South Viet Nam were captured by the Communists, it would bring their power several hundred miles into a hitherto free region. The remaining countries of Southeast Asia would be menaced by a great flanking movement. The loss of South Viet Nam would set in motion a crumbling process which could, as it progressed, have grave consequences for the forces of freedom.

I would say that President Kennedy probably gave us the most eloquent statement of the situation with which we were faced and our need to respond thereto. He said, "The great battleground for the defence and expansion of freedom today is the southern half of the globe, Asia, Latin America, Africa and the Middle East, the lands of the people who harbour the greatest hope. The enemies of freedom think they can destroy the hopes of the newer nations and aim to do it before the end of this decade. This is a struggle of will and determination as much as one of force and violence. It is a battle for the conquest of the minds and the souls as much as for the conquest of lives and territory. In such a struggle we cannot afford not to take sides."

Gentlemen, the simple answer to what we are doing in South Viet Nam is, we have taken sides.

Now, in achieving this objective of a free, independent South Viet Nam, how are we proceeding? What strategy is being followed on both sides? I would say that the current strategy of Hanoi and of the Hanoi supporters stems from the overthrow of President Diem in November, 1963. In that event, which resulted in great political turbulence in South Viet Nam, the Communist world saw a favourable opportunity to exploit this attendant disorder and proceed to exploit not only on the political front, utilizing every device to forment the political instability, but also on the military, feeling that it was now possible to press forward and achieve significant military goals in the subsequent months and years. As a result they made the decision, prompted by the declining South Vietnamese guerrilla manpower, to bring in the armed forces of North Viet Nam, first as individual replacements to fill the gaps in the ranks of the South Vietnamese guerrillas, and then, beginning probably about December of 1964, to bring in formed tactical units to reinforce and support the military operations in the south. They hoped in the monsoon season of last year, beginning in May of 1965, utilizing the reinforcements of the north to gain important objectives in South Viet Nam which would have great military and political effect. They undoubtedly hoped to drive through to the coast between Hue and Saigon, to occupy one or more Provinces and provincial capitals, and thereby to gain international support for a coalition government to Saigon. At the same time they increased the use of sabotage very substantially for the purpose of undermining the economy of South Viet Nam. By destroying bridges and railroads and communications of all sorts they made the distribution of commodities extremely difficult, and actually isolated important areas so that we had to reinforce them and bring in supplies by air. At the same time they made every effort to demoralize the population of South Viet Nam and increased the use of terror tactics, the assassination of officials, the confiscation of rice, the seizure of medicines, and the impressment of young men into the Armed Forces. Finally they always had in the back of their minds that by directing terrorist attacks at American forces and American installations they could create in Washington and in the United States the impression that we were fighting for a losing cause and we had better get out.

Now, faced with this kind of strategy on the part of our opponents and realizing the growing seriousness of the menace which confronted us, on our side we, in turn, had to devise a better strategy to cope with the growing threat. I would say that this was not a decision that was reached in a single day or at a single moment by our leadership, but rather evolved from our experience in 1964 and early 1965.

I would say this strategy became fully effective in February 1965 when we took the momentous decision to use our Air Force and the Air Force of South Viet Nam to attack military targets in North Viet Nam. This strategy consists of four parts. It was adopted in early spring of 1965. It is in effect today.

The first component of this strategy is represented by the complex of efforts utilized to make our forces more effective on the ground against the Viet Cong guerrilla forces. From July, 1964 to July 1965 we made every effort to increase the strength of the Vietnamese forces, the military, the paramilitary and the police, and in that 12 months period we raised, trained and put in the field over 140,000 additional soldiers and police. This was a very creditable achievement, I would say, for a small country of less than fifteen million and which had been at war for eleven years.

But that wasn't good enough because our intelligence officers told us, and I believe correctly, that probably in that same 12 months period the Viet Cong and the North Vietnamese forces had added to their guerrilla strength about 60,000 additional forces. In other words, the ratio was 140,000 to 60,000, just a little better than two to one. Yet we knew from all historical experience in guerrilla wars that the defending force, the government force, must have a very high superiority over the enemy. In Malaya and the Philippines and other situations of this sort the government's superiority had been ten to one, twelve to one, sometimes as high as twenty to one.

Now I would not suggest we need any superiority like that in South Viet Nam because we have resources there never available in the past in counter guerrilla operations; particularly in our modern firepower and our air mobility, particularly in our heliborne mobility which allows a battalion to be in action today in Province A and in action two days later in Province B a hundred miles away. So mobility multiplies the effectiveness of our forces. Yet nonetheless we were perfectly sure the rate at which we were generating military strength a little over a year ago was not good enough and that conclusion led to our critical decision, long meditated, very reluctantly taken, to put in American ground forces to supplement the forces of South Viet Nam.

The second component of our strategy was the use of our air forces to attack military targets in North Viet Nam. This action also had been debated for years. When I returned from Saigon in 1961 I reported to President Kennedy that I was not recommending air attacks in North Viet Nam at that time, but I raised the question, as did my colleagues on this mission, of whether we could permit it to be a rule of international common law, that an external power could operate clandestinely across a frontier and foment guerrilla warfare without having to be called to account?

In December, 1961 we said, "No, it isn't time now to resort to air attacks. Let's see if we can solve this problem entirely within the frontiers of South Viet Nam." But by February, 1965 we knew it could not be solved in-country and that we were obliged to use our air power against the north.

Now why did we do it? We had three clear reasons. We knew them at the time and we know them today. The first was to give the people of South Viet Nam for the first time the feeling they were striking back against the source of all their troubles of the past eleven years. I can assure you that decision resulted in a tremendous lift to the morale of the civilians, the military and everyone else in the south.

The second purpose was to utilize air power to the degree that air power can be utilized, to limit and slow down and make more difficult the infiltration of men and supplies from North Viet Nam into South Viet Nam. We were perfectly sure, as all military men should be, that air power could never stop this kind of thing, but as the Ex-Commander of the 8th Army in Korea, I knew that air power could indeed have a great effect in limiting the number of forces that the enemy could put and maintain on the line against you.

During the Korean War there were a million Chinese armed north of the Yalu who were never brought into Korea, who could have been introduced could they have been supported on the battle line. But they could not be used because of the effectiveness of our air power.

I was quite convinced in 1965, as I am convinced today, that air power, while not able to stop infiltration, does indeed put a ceiling on the supportable forces that can be maintained in the south.

The third reason for our using air power was perhaps in the long run the most important of all. It was to give the leadership in Hanoi a grim, sober reminder day by day that they could not continue to conduct and direct this insurgency in the south without paying a price. They had got off scot free for eleven years; henceforth slowly, deliberately, we would bring home to them that this is a very expensive operation, an operation that will increase in cost.

Now, many of my Air Force friends say, "Why don't you go up and take out Hanoi?" Well, I am reminded of a line from the Greek historian, Polybius, who wrote 125 years before Christ. He made a very sage remark which applies exactly to what our effort intends to do in North Viet Nam today. He said, "It is not the purpose of war to annihilate those who provoke it, but to cause them to mend their ways."

The third component of our four point strategy is in an area we hear so little about. It is the forgotten war, if it is a war, including those activities which are non-military, those efforts which are directed at building a better government, raising the social standards, giving hope to the countryside, giving the promise of a normal life to this little country that has been ravaged by war for 25 years. We have some 1,200 American civilians scattered through their provinces. They are often exposed to the same hazards as our military men. They don't get the decorations, they don't get the medals, they don't get the headlines. Their results are not particularly encouraging at the moment. But they know, as our military leaders know, that the ultimate success of our efforts in South Viet Nam will largely be gauged in terms of the attainment of the non-military objectives which we have set. We recognize that the military operations are primarily for the purpose of establishing security behind which we can build a new nation. Until we have a certain amount of security, until the Indians are driven away from the stockade, we can't plant the corn. But we must have the planters ready behind the troops, to exploit their successes.

The fourth and final component of the strategy I am describing is in the diplomatic field. It has been exemplified by the so-called peace offensive, which was most sincere, most earnest. It failed for the time being. It will not fail in the long run to bring our opponents to a conference table where we can discuss an honourable settlement with sincere people anxious to establish peace.

Those, gentlemen, are the courses of action we have been following in South Viet Nam since 1965, and the courses of action which are following today. We have utilized the recent pause to give us a chance to review what we have been doing, to reappraise the validity of our actions, and we have asked ourselves over and over again, "Is there a better way to do it?"

In this re-examination, we are being assisted in the executive branch by the legislative branch. Senator Fulbright is holding hearings on this subject. I am going to have the pleasure of appearing before him the day after tomorrow at which time he will ask me many of the questions which you would probably like to ask me tonight.

As to whether or not we have the best strategy. I can assure you there has been no complacency on the part of our government. We would like to find a better one. We are open to suggestions. There are objections to what we are doing. Many sincere citizens in my country, and I am sure in Canada, and elsewhere in the world, who would say that we are on a very risky course, we may be heading for a head-on collision with Red China or the Soviet Union. Almost everything may grow out this. It has been described as an open-ended operation. No one can tell the concerned questioner for certain where we will be this time next year.

Well, I would respond by saying I don't know of any important thing a great nation ever does which has no risks. If we in our private lives or our business lives decline to take risks we will all end either bankrupt or leading lives of little significance.

As to being open-ended, I would say my life is open-ended, your life is open-ended, and no one has a closed-end until he is in a coffin. And I hope my government and the free world are not inclined to take close-endedness as a serious objective.

Now the only alternative that has been advanced thus far to the strategy which I have described, is the so-called holding strategy means, includes in its most extreme state-witnesses before the Fulbright Committee and by some of the columnists in our papers in the United States. What the holding strategy means, includes in most extreme statement, stopping all use of our air power against North Viet Nam, retiring from where we are throughout the country, into so-called enclaves on the coast. It implies no further U.S. reinforcements in South Viet Nam, and thereafter further attempts to get a negotiated solution.

A lesser form of this proposal is simply to assume an attitude of passivity, no more reinforcements, no more offensive use of our forces, and to wait and try to get favourable negotiations.

I don't know whether this kind of programme looks reasonable to you gentlemen in Canada. To me it seems completely incomprehensible that anyone would propose such a programme if, indeed, he adheres to the basic objective of assuring South Viet Nam the right to choose its own form of government.

If one is willing to compromise that basic objective I can think of several alternative strategies that might be followed. But assuming we do adhere to it, what is wrong with this passive, holding strategy? Well, the first thing wrong is that the proponent does not know what our troops are doing, not only American troops, but Korean, Australian, and New Zealand troops. They are moving throughout the entire countryside, striking and destroying the backbone units of the main line of the Viet Cong. They have the enemy on the run in terms of his large units. The initiative has moved to our side. We have the possibility for the first time of moving any place in the country. The view that 75% of this country is controlled by the Viet Cong is absolutely false. There is no place in South Viet Nam that the government and allied forces cannot move any time if they want.

Now it is quite true that we do not yet have the necessary military, paramilitary and police strength to stay and secure all these areas to which we move, but these red blobs that you see on maps which suggest that the Viet Cong own three-quarters of this country just aren't so. They are quite misleading.

As to the population, for example. How do you think the population lines up today, with respect to government control versus the control of the Viet Cong? When I left Saigon last July our best estimate was that 53% of the population was clearly under government control, that 23% of the population was clearly under Viet Cong control and the remainder, about 22%, remained in the contested areas. Senator Mansfield came back from Viet Nam only last December with the latest estimate that 60% of the present population was under government control, 22% under Viet Cong control and 18% in between. I raise the point to stress that population-wise, the true criterion for progress, we are indeed moving forward, and that it is the people we are primarily interested in and are not interested in hectares or square miles of this country. Hence we are not interested in sending the forces into South Viet Nam which would be required to occupy and hold every square mile of that country. We are in Viet Nam to save and rescue fifteen million people. Not to occupy the country. I would say the "holding strategy" concept is based upon a misunderstanding of what we are really doing and what the present situation is. If indeed we fell back into defended enclaves on the coast we would be abandoning many of the people we are protecting, who are already relatively secure. What the effect of our retreat would be on the Vietnamese government I don't know. I often remind my American friends who don't know it, that the Vietnamese are the strongest military ally we've got in the world. Six hundred and seventy-seven thousand men tonight are bearing arms in South Viet Nam, either in the Army, in the paramilitary forces or in the police. And of that 677,000 only 5% are conscripts – the rest are volunteers. Now these facts are frequently either ignored or unknown in the United States, and, I suspect in Canada also, but they are a reminder that we have a red world in Viet Nam with problems which are not always understood here. We have problems there which are serious in lack of political stability, lack of experience in government, lack of effective administrators. But we have no shortage in determined anti-Communist fighters with guns in their hands who are convinced they can lick the Viet Cong. Don't worry about them. They don't need to button up in enclaves on anybody's coast – they are attacking and don't intend to retreat.

Now in attacking this passive strategy, just one final thought and I will leave you. There seems to be a feeling that by digging in on the coast of Viet Nam, in some way that spectacle of cowering Americans will convince our Communist opponents in Hanoi and Peking that they should come to a peace table in a reasonable frame of mind. I have seen the Communists at a peace table at Pan Mung Jon where we had them over at a considerable military disadvantage. It took over two years to get any kind of agreement from them, in which time our allied forces, including your Canadian forces, lost about 46,000 casualties and the Koreans over 150,000 casualties.

So I would remind you that (1) it is hard to negotiate with Communists even when you are in a reasonable position of strength. It's disastrous to sit around a table with them when you appear timid and clearly want to go home. So you can see where my heart lies. You can have the holding strategy. I'll stay with the course we are now on.

I say this because, as I analyze the holding strategy, it is not a true alternative in the sense that it is another way by which we might reach our end objective, a South Viet Nam that has the right and the possibility of choosing its own future. I am convinced that to follow the passive line will in the long run compromise our objective and end in something far short of what we have been striving for since 1954.

So it is my conclusion that we should accept the fact that we are on the right course in our overall strategy to gain the basic objective which we set out to reach. We can do much better, we must do much better in implementing the internal components of that strategy. We must do better in our combat on the ground. We must utilize our air power steadily, slowly, relentlessly, to convince the enemy they will pay an increasing price in supporting the aggression. We must be vastly more effective in the non-military field in teaching by precept and example the ways of good government, the need for attention and interest in the lot of the common people, and the means for shoring up a weak economy, under heavy inflationary pressures. In so doing I think we have a reasonable chance of creating those conditions which will bring to the peace table an opponent convinced at long last the he cannot win by military means, that he cannot win by political means, that the people of the United States will abandon their objective, that South Viet Nam will not crumble under subversive attack and that the Western World will stand behind those who are fighting for these principles in South Viet Nam.

So I say to my compatriots, "It's going to be a long pull; let's not count the hours or the days or the months or the years. It's vital to us, it's vital to our friends in the Western World. Let's live by the words of President Johnson when he said, 'We will not be defeated, we will not grow tired, we will not withdraw either openly or under the cloak of a meaningless agreement.'"

COLONEL LEGGE:

Mr. President, Your Honour, My Lord Bishop, Your Excellency. Adlai Stevenson used to say of the great classic orators, that when Cicero had finished speaking the people used to say how well he spoke, and when Demosthenes sat down the people used to say, "Let us march." President Kennedy had this ring of marching to his words, and having listened to General Taylor we know with conviction why men march today.

In the Empire Club of Canada we respect the traditions of the Pax Britannica which was so beautifully asserted in the toast of my friend, John Griffin. But we are not molded in our patriotism by one culture in Canada. We remember the rallying cry of "Liberté, egalité, fraternité", and we remember that this led to the conquest, or gave way to the conquest of Napoleon. And as we heard about the difficulties of war in Viet Nam one could easily remember the problems of Emperor Napoleon when he surveyed one of the desolations after a battle, and a wounded soldier cried to him, "Sire, help me." And he turned to the man and said, "How can I help you, you are the flotsam and jetsam of war."

In 1966 there are no absolute dictatorships in the western world. All of us are torn by the horrors of war which bear heavily on poverty stricken peasants, particularly when the leadership, as General Taylor has said, is terroristic and Communistic.

In the Empire Club we are concerned because we are the beneficiaries of the Pax Americana just as the Americans and the Canadians and all the west are the heirs of the Pax Britannica.

If we are to play our part we have to recognize that this is an heroic war. Who can distinguish between the heroism of an American soldier, the immolation of a Buddhist monk, or the starvation of a mother who does without food so that someone else can live? These are the terrifying problems that are not borne by us but are borne by the Americans in Viet Nam in this year of our Lord, 1966.

On behalf of all of this fine audience I am most honoured to formally express to General Taylor our appreciation. We salute those who fight for us. We hope that peace with honour will be given to the Americans and their allies, the more than half million Vietnamese who are fighting with them, and if they have peace, all of us in the west have peace.

Thank you, General Taylor.

FEBRUARY 24, 1966

Medicare in Canada

AN ADDRESS BY Dr. R. O. Jones
M.D., F.R.C.P.(C)
PRESIDENT
CANADIAN MEDICAL ASSOCIATION

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Senator Sullivan, Reverend Sir, honoured guests, ladies and gentlemen –

About three thousand years before Christ, a man named Imhotep, physician to a King Zoser of the third dynasty in Egypt, was such a successful doctor that he was regarded as a god and a number of temples were erected in his honour. On the other hand, as Sir James Frazer points out in his classic "The Golden Bough", the life of a professional medicine man was precarious indeed – possessing none of our modern scientific knowledge, he dealt with primitive savages who not only expected him to understand nature but also to influence it. And one error – such as a failure to produce rain when required – could and often did result in his disappearance from the scene in a painful manner. And yet, the mere fact that some members of these ancient civilizations appeared to possess special powers and were therefore provided with the means of livelihood in order that they might give their undivided time to the study of nature and its phenomena was a great step forward and indeed these men hedged in on all sides by superstition, ignorance, taboos and forced to pretend to know a great deal while actually maintaining their knowledge at a level barely higher than that of their tribal comrades were the predecessors of the physicians and doctors of today and indeed all our research teams and investigators. The Greek physician, Hippocrates, lived six hundred years before Christ but his oath still guides our doctors today and his Hippocratic collection contains clinical records which for their clarity have never been excelled in the thousands of years that have passed since his time. Over the centuries, knowledge has slowly improved and William Harvey, before he died in 1657, had discovered the circulation of the blood which has been described as the one factor that lies behind every important medical advance since that time. Galvani with his study of nerves, Louis Pasteur and Robert Koch with their revolutionary studies of the germ doctrine of disease and, in our own time and in our country, Banting made his brilliant discovery of insulin while his contemporary in England, the late Sir Alexander Fleming, gave us penicillin–all these men over the ages have worked to make the profession of medicine a more useful servant to mankind. Nowhere in the world are professional standards higher than those we enjoy in Canada today and in this City of Toronto, we have institutions equal, or superior in their fields, to those of any other country.

There is a bit of verse that goes something like this: "Because of that Magna Charta which was signed by the knights of old, that in England today you can do what you like as long as you do what you're told." Any Canadian who has been exposed for a reasonably lengthy period of state medicine as practised in the United Kingdom, has formed rather strong opinions on the subject, both from his conversations with doctors and from the inevitable feeling that the personal relationship has largely ceased to exist. On the other hand, a large number of people in the United Kingdom, who had not received medical care in the past, are now receiving such care. Fortunately, in our study of the subject in Canada, we are starting from a better position than the British enjoyed and we also have the opportunity of learning from the serious mistakes made on the other side of the water and which our own Government here in Ontario is obviously endeavouring to avoid. It is a matter of the greatest importance to everyone of us that the doctor-patient relationship be protected, that research and post-graduate studies and all the other time-consuming, expensive steps taken regularly by our doctors to improve their knowledge and techniques be maintained and rewarded under any system of state medicine. I am sure we shall hear much further on this in a few moments.

Our speaker today is from that province which has provided the rest of Canada with so many famous men. I refer, of course, to Nova Scotia. Graduating from Dalhousie University, he pursued his post-graduate studies at the British Postgraduate Medical School, London, Maudsley Hospital, London, and Johns Hopkins University, Baltimore.

For many years he has held important offices in medical organizations and, at present, is Professor, Psychiatry, Faculty of Medicine, Dalhousie University, Head of the Department of Psychiatry, Victoria General Hospital, Head of the Department of Psychiatry, Camp Hill Hospital, Consultant, Psychiatry, Canadian Forces, Children's and Grace Maternity Hospitals, Halifax, and a Consultant, Psychiatry of Nova Scotia Hospital, Dartmouth. He is President of the Canadian Medical Association.

A Fellow of the Royal College of Physicians of Canada and the American Psychiatric Association, he is also a Member of the Royal Commission of Insanity and Defence in Criminal Law and many other organizations.

Gentlemen – one of Canada's outstanding physicians, who has also made a great contribution to the public life of our country in the field in which he is so well qualified, Dr. R. O. Jones.

DR. JONES:

Mr. Chairman, gentlemen:

It is a pleasure and an honour to speak to this distinguished body and to attempt to give you some statement regarding the attitude of the Canadian Medical Association on what is apparently one of the hottest issues in Canada at the present moment – "medicare" by which I mean the insurance of physician services to the people of Canada.

Let me say at the outset that I believe that all parties in this debate honestly wish to see Canadians provided with a high-quality medical care. One of the difficulties in obtaining this goal is the emotional heat and the suspicions which somehow seem to be stirred up by this medicare issue. Critics of medicare suggest that physicians are concerned about and oppose a physicians service insurance plan because of the fancied loss of what is regarded as our privileged position, especially having to do with the incomes of doctors. On the other hand – doctors in general, I think, suspect that at least some of the people most interested in introducing a medicare scheme in this country, have motivations which are not entirely the provision of high-quality medical care; that is, we have a considerable suspicion that the political advantages of introducing such a plan may not be entirely irrelevant. It would be best if we could set aside the mutual suspicion and make a united effort to give the highest quality of medical care to our fellow citizens. From the doctor's angle, as far as I know, no one has proposed a plan which threatens doctors' incomes. The Saskatchewan experience certainly would not support such suspicion. Indeed, there is a considerable attraction to the medical profession in the knowledge that they will be reasonably rewarded for every service they render – a situation which does not pertain at the moment. Despite this glimmering pot of gold at the end of the medicare rainbow, a *great many doctors in Canada are concerned about the introduction of a universal plan for the insurance of their services because* *they honestly feel that the quality of care which they can give the Canadian public may be seriously threatened.*

Medicine's concern in quality care is not of recent origin. My distinguished predecessor, a fellow Nova Scotian and the first President of the Canadian Medical Association, Sir Charles Tupper, in his inaugural address in 1867 had this to say, "It is not my province now to speak, but to listen; but I cannot refrain from saying that I trust our deliberations will show to the world that our leading objects are to protect the health and lives of the people of this Dominion." I believe that this statement of Sir Charles Tupper has characterized the Canadian Medical Association from this inaugural meeting, and that the activities of the Association testify to its concern for high-quality medical care. During this past year some 33 committees of the Association have worked on such topics as the improvement of medical education, highway safety, alcoholism, emergency medical services, and countless other matters all dedicated to improving the health of the citizens of Canada. Canadian doctors have voluntarily given many, many hours to this kind of activity, and have given this time I believe because of their professional ideals and ethics.

Let me not give the idea that medicine is satisfied with the status quo. Certainly, my profession needs, and recognizes the need, for many changes. We are sometimes called a conservative profession. The changes that have occurred in medicine in my own professional life time contradict this charge. As an interne, I had not heard of sulfanilamide or penicillin; in my own specialty the anti-psychotic drugs or electroconvulsive therapy had not been introduced. Indeed, almost everything I learned in medicine is now completely outdated. This kind of achievement does not result from a "stand-pat-resist-the-new-attitude," but we have learned in medicine that it is most important to introduce change slowly, to do nothing which is going to weaken the patient in the process, and to make sure that, in our efforts to do better, we do not do harm. This has been one of the primary principles of medicine, since the days of Hippocrates–*first, do no harm*. We would urge on government and on the public that in this important matter of medical insurance, we pay attention to this basic precept and not be pushed into new patterns of practice which may well do harm.

The Canadian Medical Association has given very considerable study to this problem for years. We have had committees on economics, committees on professional practice, committees on medical education, all composed of sincere and honest men, anxious to produce a more efficient way of providing our services to the Canadian public. Indeed, as a result of our deliberations, we requested the Prime Minister of Canada of that day, The Rt. Hon. John Diefenbaker, to set up a Royal Commission on Health Services to make a very thorough study of the health needs of Canada and Canadians. This Commission, under Chief Justice Hall, conducted such a study and there is very much in this study that one finds oneself in agreement with. Other very sincere reformers, both inside and outside the profession, have studied and brought forward other solutions.

All groups who have studied the medical problems of Canada have reached many similar conclusions–there are huge areas of agreement. Some of the most important of these are:

1. The need for markedly increased personnel of all kinds; that is, of course, doctors, nurses, physiotherapists, occupational therapists, and so on. To meet this need, we need vastly stepped up recruitment and one of the principles that must be borne in mind is, *that any scheme for medical services must do more than gain grudging acceptance by my generation of doctors, but must be of such a sort that it will attract the best young people of this country to the health professions*. This seems to me to be one of the greatest dangers in the introduction of new plans and, in all honesty, one already hears of young people who are turning away from medicine because of the present unrest. If we recruit people, we are going to have to train them and this means

a marked extension of medical school facilities, not only in terms of bricks and mortar, but in terms of personnel. Personnel is already in exceedingly short supply. In the preclinical years; that is, the first two years of medicine, the Association of Canadian Medical Colleges tells us that at the moment there are some 130 unfilled positions in our present medical schools. One of the reasons why we cannot fill these positions is because of a lack of research funds and facilities. Good teachers will not settle in Canada, unless they have an opportunity to further their researches. This matter has been studied by many bodies, most recently in the Wood-Gundy Report, and all have come up with staggering figures about our needs for increased medical research. Let me emphasize that this is not to have large break-throughs in medical knowledge, though that would be very nice and such things have occurred in Canada in the past, but because *unless we do have adequate research facilities of our own, we cannot properly teach modern medicine and we will not attract or hold our qualified teachers.*

2. All groups agree that we need a vast extension of facilities, hospitals, laboratories, and so on. We welcome the 500 million dollars Health Resources Fund for this purpose, but are disturbed that it is only for capital expenditure and does nothing to help the personnel problem outlined above.

3. All groups are exceedingly concerned by the very poor conditions in the mental health services in this country, e.g., almost 50% of the hospital beds of Canada. These hospital beds are generally being supported at a cost of $8 to $9 a day, as opposed to $28 to $29 a day in a general hospital–this in a field of medicine which is supposed to require a more expensive kind of care than others and, incidentaly, almost entirely government administered for the last 100 years. Here is a real sore spot in the body-medical of Canada and we have urged that steps be taken to

correct this. Up to date our urgings have fallen on pretty deaf ears.

4. All groups agree, including the medical profession, that *there are a group of Canadian citizens who are unable to pay for medical care because of their financial difficulties. We believe government has a real responsibility and urge them to provide total or partial help to Canadians who need it–we do not believe government should assume either the financial responsibility or the consequent power, resulting from complete and monopolistic control of the health resources of this country.*

We would point out that at the present moment in Canada there are several plans for the insurance of physicians services, which have different features about them, e.g., the Saskatchewan plan and the Alberta plan. Neither the government nor ourselves, nor indeed anybody else have final answers to the complex problem of quality health services. One only has to look at the current unrest in Belgium and in Great Britain to support this view. In Canada we have a magnificent opportunity to observe plans with different features in action, and it is our contention that we should look carefully at these various plans before adopting an over-all plan which may very well be so rigid that it will take generations to change.

The viewpoint of Canadian medicine then is that we should get on with the immediate tasks I have listed above, and at the same time, we should continually study plans currently in operation so that we may eventually come up with a plan tailor-made for Canadians.

Until mid-summer of this year, we had some reason to believe that government authority agreed with us and we were somewhat complacent about the future of health care in Canada. This complacency was rudely jolted by the Prime Minister's announcement of July 19, listing his famous four points, and aiming at a universal medical care plan, compulsory, covering all the citizens of Canada, covering all the physicians of Canada, administered by a government agency to be initiated on July 1, 1967. The ardent proponents of this plan state that nothing is to change, but the way in which doctors will be paid. Apart from this, everything will remain the same. We must confess to some doubts. It is our belief that when any single agency controls all the funds to be devoted to a particular area, especially when those funds are limited, and the events of the last few weeks (including the recent budget of Ontario) would suggest that despite the more ardent followers of Keynesian economics, there is some limitation on the amount of funds that can be spent and when the agency which controls the funds, is a government agency, subject to competing pressures for other government expenditures such as highway, education, and so on, plus political pressures which we have learned not to despise, that this economic situation will of necessity create control over the users of the funds, both doctors and patients. Experience has shown that this type of over-all scheme inevitably produces a bureaucracy and this type of bureaucracy produces a demoralization of both doctors and patient, which makes for serious dangers to the public weal. Time does not permit discussion of many concerns. Suffice it to say that we feel that the very least that must be provided for in such an over-all scheme is the right of both doctor and patient to operate outside of an unsatisfactory plan with no loss of benefits to the patient and no penalty to the doctor. *The provision of this so-called "opting out" right I believe to be an essential in any plan desiring the co-operation of Canadian doctors.* Only in this way can we preserve our patients' right to receive and our right to provide the kind of medical care dictated by the patients' need and the doctor's conscience–rather than by the Deputy Minister or worse–by the Treasury Officer.

The present situation regarding the Health Resources Fund illustrates the ever-present possibility of such control. This Fund was set up to provide–in the Prime Minister's words – "Capital grants – for – research establishments, teaching hospitals, and medical schools." We welcomed this recognition of the need for federal aid in a most important area. We collaborated in the original planning, designed to set up the machinery to administer this fund. It seemed logical that the informed bodies in the training and research fields, for example, the Association of Canadian Medical Colleges, should at least be well-represented on the final administering body. We confidently sat back to await such action. On February 1, 1966 a 2-day meeting of Federal and Provincial Ministers of Health concluded. A communique emerging from this Conference reported as follows: "In considering the composition of the Advisory Committee, the Ministers decided that a body of this kind should consist of representatives of the Federal and Provincial Ministers of Health. The Advisory Committee would be empowered to call upon professional bodies for advice on technical matters."

The position of an *on-call advisor to an Advisory Committee* scarcely re-assures the informed professionals of this country that they will have much of a voice in planning for facilities which are of vital importance to them.

To return to the argument that all that is involved in present planning is a change in who pays the doctor. There are many practical objections to any complete third-party-payment arrangement–not the least matters of professional confidence and the control of over-utilization by both patients and doctors. More philosophically perhaps, one must wonder if such changes can be made without deleterious results to the profession concerned. In what follows I quote freely from a most informative book, dealing with our present problems, *Medicine in Transition*, by Dr. Iago Galdston, of New York City. Doctor Galdston quotes from the Right Honourable J. Enoch Powell, Minister of Health in the recent Conservative Government in Britain. Discussing the National Health Service, Mr. Powell remarks that the doctor finds himself, "in the situation of all who are confronted by that unique employer, the State, whose ability to pay, but not his will to pay, is for practical purposes unlimited." The Minister then argues that this situation is not peculiar to the medical profession and does not involve their status as a profession. He then proceeds to cast doubt on his own argument when he discusses the limitations on the physician's freedom to prescribe and asks, "If he cannot decide that, what is he to decide?" in the national health service, the physician is free to decide without regards to his patient's means, but not without regards to the government's restrictions. "This paradox," the Minister notes, "is enshrined in the famous words: Without prejudice to the doctor's right to prescribe whatever he thinks necessary in any individual case, a doctor may be called upon to justify the cost of his prescribing." Doctor Galdston comments, "The doctor in respect to prescribing for his patient is both free and not free, and yet is said to be uneffected in his professional status!" The Minister continues by stating that this paradox, manifest in numerous ways, is a derivative of "the relationship in which the doctor and the politician are placed by the needs of the health service," and describes this relationship as follows, "A contract for the performance of services not by one to the other, but by one to a third party and that third party, the patient, is someone with whom the contract is intended to leave the professional and personal relationship of the doctor unimpaired and uneffected. This," the Minister asserts, "is the heart of the difficulty." Doctor Galdston comments, "It is indeed for the intention to leave the relationship unimpaired, is under the circumstances, as impossible as it is laudable. It is impossible within the politician's framework which inevitably and invariably involves bureaucratic administration. In such administration, the paymaster becomes the most stark of owners and this kind of ownership is control. In Britain the National Health Service is virtually sole purchaser of the services of doctors and dentists."

Galdston concludes his remarks on the National Health

Service, "What stands forth in terms of its effect on the profession is bureaucratization with all its attendant evils, principal among them the conversion of medical practice into the pursuit of a vocation rather than that of a profession. . . . In effect whether medicine is practised as a vocation or as a profession cannot but prove of great consequence to the recipient of medical care. It must effect the moral and intellectual fibre of the medical corps, it cannot but deleteriously effect medical education and the advancement of medical science. Only those ignorant or unmindful of historical experience, can doubt that these must be the inevitable sequelae of the bureaucratization of the profession and of the practice of medicine."

Let me add another telling voice to this debate. For many years the late Henry Sigerist, the Professor of the History of Medicine at Johns Hopkins University, a man who surveyed the Saskatchewan situation and was most influential in shaping the thinking of Mr. T. C. Douglas and who was an outstanding medical spokesman advocating the nationalization of medical service. Sigerist retired to his native Europe and in 1956 published *Landmarks in the History of Hygiene.* In this book he wrote, "Now that I am back in Europe, I am no longer in favour of Health insurance and I think that better solutions should be found. Health insurance in many a European country has become rigid and is in the hands of groups that have a vested interest in it. The machinery is frequently very clumsy and we generally find a tendency to perpetuate under an insurance scheme an outgrown type of medical service."

To conclude, Canadian doctors recognize and support the need for government aid in making possible high-quality medical services for a proportion of our population. They believe that this can best be provided by the provision of a voluntary plan, available to all Canadians with government subsidy to the individual according to his needs. In setting up such a plan they believe that the ancient but vital medical doctrine, "Do not harm"–*Primum Non Nocere*–should be respected.

Attention should be directed to first things first–personnel, training, and our mental health services. The introduction of a plan or plans should be constantly accompanied by research into their effectiveness and, especially, their effect on the quality of medical care. Mechanisms should be built in for the correction of faults which are bound to appear in any plan actually in operation. The freezing of patterns of medical care which will inevitably result from massive government intervention with centralized bureaucratic administration and with rigidly conceived rules, may well produce lowering of the quality of medical care exceedingly difficult to reverse in the future. Our ultimate goal is to retain that which is sound, precious, and essential in and to medicine and to the profession, and give up that which is harmful and outgrown or merely habit and not essential. To conclude in Dr. Galdston's words, "This adaptation must be attained by reasoned study, by consultative statesmanship, mindful of changing conditions but mindful also that whatever is grievously injurious and disruptive to the medical profession must prove evil to the people as a whole." To such a reasoned study and collaborative effort to improve medical services in this country with built-in self-corrective safeguards, the Canadian medical profession will gladly pledge itself.

Thanks of this meeting were expressed by Dr. H. V. Cranfield.

MARCH 3, 1966

Education: A Canadian Priority And A Provincial Responsibility

AN ADDRESS BY Hon. W. G. Davis
MINISTER OF EDUCATION
PROVINCE OF ONTARIO
and
Hon. M. Paul Gérin-Lajoie
MINISTER OF EDUCATION
PROVINCE OF QUEBEC

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Ladies and gentlemen–

First of all, on behalf of the directors and members of the Empire Club, may I say how happy I am to have ladies with us on this occasion of the Annual Ladies' Day Luncheon. The executive felt that no subject was of greater importance to all of us than education and the large attendance today indicates the intense interest aroused both by the subject and by the calibre of our speakers.

We are sometimes inclined to the view that such things as beatle haircuts, lack of discipline and so on are peculiar to this age. However, to quote from the remarks of a famous master of Eton in a past century, when asked for a progress report , he said "Your son is well and such time as he does not spend in self-adornment he devotes to the neglect of his studies." Samuel Johnson long ago stated "There is now less flogging in our great schools than formerly but then less is learned there, so that what the boys get at one end they lose at the other."

The Bible tells us "Of making many books there is no end and such study is a weariness of the flesh"; while Shakespeare refers to "The whining schoolboy with his satchel and shining morning face creeping like snail unwillingly to school." Bacon, in speaking of studies says "Read not to contradict and confute nor to believe and take for granted nor to find talk and discourse but to weigh and consider. To spend too much time in studies is sloth, to use them too much for ornament is affectation, to make judgment wholly by their rules is the humour of a scholar, nor natural abilities are like natural plants that need pruning by study and studies themselves give forth directions much at large except to be found in by experience." It is possible that the whole purpose of education in the liberal sense can be summed up in those words, if education does not teach us to weigh and consider then it has failed and since our whole democratic way of life depends on the citizens of a democracy making the right choice, it becomes clear that nothing is so important as education. To quote Baron Brougham, who died in 1868, "Education makes a people easy to lead but difficult to drive, easy to govern but impossible to enslave."

Turning to our own country and particularly the speakers who have honoured us with their presence today, while the British North America Act gave control of educational administration to the provinces, it is well to recall that from the earliest days of French settlement in Canada, the Roman Catholic Church has provided education. Indeed, it is only fair to say that had it not been for the Church there would have probably been no schools in early Quebec at all since the French kings showed not the slightest interest in this aspect of their Canadian dominions. It is well, therefore, for us here in Ontario to realize the very great debt our neighbouring province owes to the Church and to mention at the same time that, the recent McGill controversy notwithstanding, the record of Quebec in its treatment of the Protestant schools has been above reproach.

We have with us today the first Minister of Education of the Province of Quebec who assumed that office on 13th May, 1964. Born in Montreal, our guest speaker is a lawyer and his father before him was a King's Counsellor. He was educated at Jean-de-Brébeuf College, studied law at the University of Montreal, was admitted to the Bar July, 1942, he won a Rhodes Scholarship in 1939 but could not take this up until the end of the war when he proceeded to Oxford and received the degree of Doctor of Philosophy. His thesis was on "The Canadian Constitution". A student of moral and political science during his stay in Europe, he represented Canada in various youth organizations in Spain, London and Czechoslovakia. In 1950 he was President of the Canadian Junior Bar Association, in 1952 official delegate of the Canadian Government at the UNESCO Conference in Paris. On two occasions he has acted for the Canadian Government as Legal Counsellor to Royal Commissions, he was also Legal Counsellor to the City of Montreal and the St. Lawrence Pilot Federation. He was President of the Policy Committee for the Liberal Federation. He was first elected to the Legislative Assembly in June, 1960, he was Minister of Youth from 1960-1964 and at that time all educational services of the province were placed under his responsibility. In May, 1964, as already mentioned, he became the first Minister of Education in Quebec. The honourable minister has honorary degrees from the University of Montreal, Mt. Allison, McGill, Carleton in Ottawa and Laval Universities.

Ladies and gentlemen – The Honourable Paul Gérin-Lajoie, Member of the Legislative Assembly, Minister of Education of the Province of Quebec.

MR. GÉRIN-LAJOIE:

Mr. Chairman, my dear colleague and friend Mr. Davis, members and guests of the Empire Club, I feel a special honour and pleasure today on two different grounds. The first is to be called upon to address this ancient and representative Empire Club of Toronto. The second is to be called upon to fulfill this pleasant task jointly with my colleague the Minister of Education for Ontario. I do not wish to speak at any length on the community of ideals and the spirit of friendship, together with the mutual respect for each other's opinions which exist between Bill Davis and P. G.-L.

If only an important fraction of these existed between the masses of men and women which constitute the population of our two provinces, a long way would have been made towards development political and constitutional formulas which might not be the expression of a true love-match but which would quite definitely discord from anyone's mind the very idea of divorce.

One of the many things Bill Davis and I have in common is the determination to make education as germane as possible to today's and tomorrow's requirements of society and make of it a true agent of development.

In this respect you will appreciate that there is nothing unpleasant for a Quebec Minister of Education to read lines such as these, which I quote from the *Financial Post* of February 5, 1966:

> "Quebec should be in a position of leadership in North America, five years from now, if the province can be handled with the same finesse, the same political astuteness and the same mixture of publicity and common sense which has been in evidence over the past five years."
>
> (*Financial Post*, February 5, 1966, p. 49)

Indeed, it is no secret for anyone that for the past few years, Quebec has been working relentlessly in order to expand, and especially in order to expand more rapidly than the rest of the continent. The whole of North America is itself expanding very rapidly; it will not wait for Quebec which, if it is to bridge the existing gap between its standard of living and the standard existing in Canada, and in North America as a whole, will have to move in double quick time and recover its lost ground at the same time as it advances.

A few years ago, one might have expected to hear such words pronounced by a Minister of Industry, or a Minister of Finance or of Commerce.

Today, a Minister of Education's preoccupation with economics excites little wonder. And as Minister of Education, I feel directly involved in the formulation of policies for economic development. The Department of Education's activity constitutes the very axis on which revolves the whole Quebec Government policy of economic recovery and development.

The most recent studies of the nature and causes of economic development emphasizes the idea of productivity as the very basis of all growth. They also reveal that the factor which has the greatest influence on productivity is the human factor. In a nutshell, productivity requires manpower. And manpower requires Education.

The importance of these concepts, which governments have been taking into consideration for several years, and which have formed the basis of Quebec policies since 1960, has been reaffirmed in the last *Annual Review of the Economic Council of Canada.* Far from questioning or refuting these concepts, the Council stresses the fact that we are not taking them sufficiently into consideration, that they are not only important but essential, and that they must give rise to prompt action. If I may quote from the Council's *Review*:

> "Education is a crucially important factor contributing to economic growth and to rising living standards. . . . This reinforces the need for sustained and unflagging

> efforts to strengthen and extend the educational base for long-term future growth of the economy and the living standards of Canadians."
>
> (*Second Annual Review of the Economic Council of Canada*, pp. 71-93)

In January 1964, the Quebec Department of Education published a study entitled: *Financial Needs of Education in Quebec, 1964-1967*. Advance copies of this study were distributed by the Quebec delegation to those attending the federal-provincial conference of November 1963. At the time, I had entitled the preface to this publication: "Education, a Canadian Priority", and I had written:

> "In a period in which educational expansion has become an essential condition for economic growth, Canadians must acknowledge the fact that education is a priority need. . . . Human resources—that is, man himself: this is the main factor for prosperity."
>
> (*Financial Needs of Education in Quebec, 1964-1967*)

This is why, in Quebec, we have undertaken a complete reform of the educational system. This is why Quebec has made education a priority.

The effort undertaken by Quebec has been very great, at the personal as well as at the community level, at the social as well as at the financial level.

In the last five years, Quebeckers have doubled the sums devoted to education, while government itself has multiplied by 2.5 its contribution. During the same period, we have added 367,000 pupil-places to our schools. The total number of students has gone from 1.2 million to 1.6 million. The number of pupils attending classes for exceptional children in public schools has increased four times. The number of pupils attending public kindergarten has increased six times. Particularly significant is the fact that the number of boys and girls attending high-school has gone up by 80%.

Actually, the percentage of 13 to 16-year olds attending secondary school has gone from 57% to 80%. Among this group, the number of those proceeding towards technical or vocational education has tripled, and the increase will be equally rapid between now and 1971.

These examples should be sufficient to prove that, in our minds, *priority* is something more more than just a word.

The problems brought about by this necessary evolution are not peculiar to Quebec alone. They are arising in all provinces; they are arising throughout Canada. Education is the priority in Canada.

To speak of priority, is to speak of choice. Today, Canadians must assign priorities to the fields of social and governmental activity in which they wish, by preference, to invest their resources. Canadians must agree to invest in education – to invest in their future – unprecedented sums of money the greater part of which has been utilized, up to now, in other fields, more specifically, in consumer goods.

War on poverty begins in the schools. War on poverty is fundamentally a war on technological under-equipment and on the lack of productivity by the labour force. Canadians will have to seek a better balance between productive investments and consumer goods, between productive investment and pleasurable but expensive gadgets.

We are about to make an extensive effort in the essential field of health. *Medicare*, for a great number of citizens, is a must. But the need for *medicare* arises, to a significant extent, from the lack of economic development and of knowledge among certain classes of citizens.

Medicare is a must, but, in my mind – and if I may suggest a rhyme – *educare* is also a basic necessity. Educare is the opportunity for each Canadian to be provided with the type and with the highest degree of education that suit his abilities and aspirations.

We agree to spend close to $2 billion each year for defence purposes. There are reasons for this. But it is permissible to wonder whether we are as conscious of, as "alerted" to the necessity of defending ourselves against the most dangerous of our enemies, against public enemy No. 1, that is ignorance and lack of scientific and technical knowledge. Not only does this enemy slow down the pace of technical and economic progress, but also creates regional disparities and social tensions.

To put first things first, education is, today, our basic industry, the very basis of our standard of living for "horizon 1980".

Education is undoubtedly a Canadian priority. It is nevertheless a strictly provincial responsibility. I do not want to take up time in re-examining Quebec's point of view on this subject. Quebec's point of view is very well known. It has been vigorously put forward and maintained; and we have no intention to back up on this position.

Among the reasons for this deep-rooted determination to maintain provincial responsibility for education, one most usually stresses cultural reasons. I would like to add that cultural reasons, while pressing, are not the only ones. We believe that in fields which have such a direct effect on the citizen's daily life, only a government in as close and direct contact with the people as the provincial government can act with the necessary efficiency and flexibility. Finally, we must also realize that education constitutes the very core of our programme for social and economic development.

Obviously, all governments, federal as well as provincial, seek to promote and to accelerate the economic development of the country. But let us simply say that education is not included as one of the means confided to the federal government to promote this or any other objective.

This means that whatever share of public funds Canadians may agree to devote to educational purposes have to be left in the hands of provincial governments, in order that they may be financially able to meet their responsibilities, to accomplish their task, and to be the agents of the training of the labour force.

How will this redistribution of Canadians' financial resources be carried out? Obviously, we shall rely, to a large extent, on the work of the Tax Structure Committee, which is expected to complete its task and present its report this coming summer. The Committee's influence on economic and political development policies in Canada will be a crucial one. Its work will constitute the basis for a federal-provincial conference on the distribution of fiscal resources.

In recommending, or not recommending, that the resources which their work requires, be left in the hands of provincial governments which are responsible for the development of education and for the training of the labour force, the Committee, and the federal-provincial conference which shall follow, will make possible–or impossible–the implementation of the Economic Council's chief recommendation which reads:

> "We recommend that the advancement of education at all levels be given a very high place in public policy, and that investment in education be accorded the highest rank in the scale of priorities . . ."
>
> (*Second Annual Review of the Economic Council of Canada*, p. 171)

Quebec, for its part, because its very survival as the homeland of a distinct group in North America is strongly determined to carry out a renovation of its educational system and, in this field, to offer its youth nothing but the best. The very basis of the implementation of these objectives – that is, investment in education – seems to us to be too important to allow any other priority whatsoever to be substituted for it.

Obviously, the very title of my address: "Education, a Canadian priority and a provincial responsibility", constitutes an apparent paradox. But just as the recognition of priorities and the distribution of resources can be decided upon at a conference table, the co-ordination of action in the field of education can be ensured through constant exchanges of information and views at the interprovincial level.

Provincial responsibility does not mean isolation. As a matter of fact, it would be nothing less than ridiculous for any of us to try and isolate ourselves. Our problems are often similar; solutions, although differing in their forms which have to be adopted to different sociological situations, may be inspired by the same guiding principles and may have much in common.

In a recent issue of the *Canadian School Journal*, I read an editorial by my friend, the Honourable W. G. Davis, which dealt with the fact that the need for a level of education between the secondary school and the university is by no means a whimsical one.

In this respect it is most interesting to note that corresponding needs, but different sociological contexts have caused the development of "community colleges" in some of the states down south and "Colleges of Applied Arts and Technology" in Ontario, while the Parent Commission recommends for Quebec the creation of "pre-university and Technical Institutes".

Various exchanges of views are taking place between the provinces, especially at the meetings of the Standing Committee of Ministers of Education. As concrete examples of this co-operation, I might speak of the work being done by the sub-committees on data processing, educational television, research activities as well as the co-operation of the committee with the Association of Universities and Colleges of Canada in setting up a Council on admission to colleges and universities.

There is also the participation of the provinces in various professional education organizations and the co-operation of the provinces and the federal government in the fields of vocational and technical education, manpower research, industrial and co-operation with industry, educational statistics, external aid and other fields.

The few lines from the *Financial Post*, which I quoted at the beginning, dealt with the question of leadership. Quebec's desire for *leadership* (since the word has been mentioned by others than Quebecers) has nothing to do with physical force or even political power. The only ambitions which we harbour, the only leadership which we consider desirable, is that which has to do with our dedication to the harmonious development and the overall welfare of the population of Quebec, in full co-operation with other governments.

COLONEL ROYCE:

Ladies and gentlemen – your applause has indicated just how deeply you have been impressed by the Honourable Minister from La Belle Province – I shall not attempt to thank him at this time since that honour falls to another. I now have the privilege of introducing the Minister of Education of the Province of Ontario who will speak to us next.

We are about to hear from one of the youngest Ministers of Education in the History of Ontario. He was the youngest Member of the Provincial Parliament when first elected to the Legislature and he is the youngest Member of the Ontario Cabinet. Born in Brampton in 1929, our speaker studied at the local schools in that city and then at the University of Toronto and Osgoode Hall. He was called to the Bar in 1955 later joining his father's law firm in Brampton as a partner. Despite the demands of his law practice, he served on the Board of the Peel Memorial Hospital, the Brampton Public School Board and the Brampton Chamber of Commerce. In 1959 he won Peel riding and in 1963 was re-elected with a margin of 14,000 votes. He has served in nearly every standing committee of the Legislature, was a Vice-Chairman of the Ontario Hydro-Electric Power Commission and, finally, in 1962 was named Minister of Education.

I should have mentioned that Monsieur Gerin-Lajoie has four children – the speaker from whom we shall next hear has five! He is particularly active in the movement to revise the public school curriculum. Under his direction, to meet present-day needs, 1,500 rural school boards have been amalgamated and the first Department of University Affairs has been created. At present he is taking a personal interest in the setting up of a provincial system of educational broadcasts.

Our speaker played football for Toronto Varsity – not the Argos fortunately – and now is an excellent bridge player when he finds time.

Ladies and gentlemen – The Honourable William G. Davis, Minister of Education of the Province of Ontario.

MR. DAVIS:

Mr. Chairman. It gives me great pleasure to add my word of welcome toward my friend, the Honourable Minister of Education from Quebec. I take this opportunity to congratulate him on the contribution he is making to his own province and consequently, to all in Canada.

It is evident, I am sure, that strength and vitality in our sister province ultimately affects all of us. What is sometimes called the quiet revolution is in fact a positive indication of the growth and vigour of our young country. The advance of education, in such a context, must increase understanding and is consequently a force which will bind Canada together in the future.

I have been most interested in my friend's comments and at this point I would like to comment on the concept of provincial responsibility for education, as embodied in the British North America Act. This decentralization has implications today that go beyond the original reasons for the decision of 1867. It is becoming increasingly evident in the changing demands on education today that the greatest asset that a system can have is flexibility.

This flexibility is required to meet the relatively much larger proportion of students now coming to schools, staying longer, and preparing for a much wider multiplicity of careers and interests. The changes in education occurring all across Canada can only occur in response to local needs and could never be successfully planned and imposed centrally.

It is my conviction, and I believe that my friend from Quebec will agree, that education can and must be decentralized from the provincial level as well. Generally speaking, the closer a decision can be made to the actual operating level, the more reasonable and appropriate that decision will be. This is not an abdication of central responsibility. It is rather a recognition of the fact that the delays and difficulties inherent in referring a decision to a central office seldom improve the quality of the decision.

The question always arises as to what should be controlled at the department and what should be left to local control.

It is our feeling that the setting of general objectives for local officials and the encouraging of local approaches and innovation will in the long run produce the most appropriate creative and viable solutions. For this kind of partnership it is absolutely necessary for the local education authority, be it urban, country or township to have the necessary resources including highly qualified supervisory and administrative personnel.

In this province much effort has been put into organizing strong, viable local educational authorities. During the last year the number of rural school boards in the counties have been reduced by over 75%. Consultative committees are being established in each county to make recommendations for uniting township units in still larger blocks at the discretion of the county council. In some cases even the county may not be a large enough unit to provide the variety of educational facilities needed today.

This development has acted as a spur for the provision of centrally located schools in rural Ontario and it is expected that the establishment of county school areas will speed the process. During the past few years several thousand one- and two-room schools have been closed and replaced by graded schools.

At the secondary school level, all parts of the counties are now included in high school districts.

Legislation has also been introduced to provide for the voluntary establishment of County School Boards which would combine all public and secondary education under one administration. The first of these is now operating in Grey County.

The question which often comes to mind when decentralization is mentioned is the problem of transfer of children moving from Province to Province. In response to this there are some people who would advocate a completely standardized curriculum for all children in the country. At a time when all our research findings show that children should be treated as individuals and allowed to proceed at their own rate, this solution would introduce unbearable conformity in education.

The answer to the transfer problem may well lie in exactly the opposite direction. As long as subject content is considered to be all-important in education then transfers will always cause problems since students will not have covered the same work. However, with a more enlightened concept that true education consists of a combination of skills such as reading and mathematics, with ability to solve problems and organize and cope with information, then transferees can much more easily be fitted into a new environment. Students can be fitted into their own level of reading skills and maturity without regard to whether or not they have happened to study the same explorers in social studies.

I emphasize that this does not mean a shirking of provincial responsibilities. It will continue to be our role to establish objectives for education and to provide the resources and opportunities so that all citizens can develop in accordance with their innate potentials. The partnership of provincial resources, on the one hand, and local creativity on the other, in implementation of changes will provide a stronger framework for meeting the problems of the future.

In order to strengthen this partnership our Department has in the last year established five area offices, each headed by a strong and diversified professional team. These have greatly facilitated our day to day contacts with the boards and schools concerned, and have proved so successful that we are planning five additional area offices. We will then be in a position to provide close local contact and service to all boards and schools in the Province.

Within a larger context there is a very definite role for the federal government to play which does not interfere with the all-important principle of educational decentralization.

An example of such co-operation is that which is embodied in the Federal-Provincial Technical and Vocational Training Agreement which became effective as of April 1, 1961. This agreement arose out of the circumstances which developed in Canada during World War II and in the decade or so after the end of that war. In Canada's pre-war economy, the industry of the country was mainly of a basic extractive character, with a relatively small amount of secondary industry. The fairly small number of skilled workers needed were either trained at home or imported from Europe. Under war-time conditions Canada, being out of range of enemy action, became involved in the production of military supplies and goods, developing in the process a much larger number of manufacturing industries. Consequently, at the end of the war the country found itself industrialized to a much greater extent than before, and in need of export markets. As Europe recovered and began to prosper, the stream of emigrant skilled workers gradually dried up, and Canada had to face the fact that she lacked any extensive training programmes for industry.

Remedial measures and changes in the educational structure were immediately necessary in all provinces. As funds were not available in provincial treasuries, the Federal Government offered a solution in the educational crisis which confronted all provinces. Accordingly, by the Technical and Vocational Training Assistance Act, the Federal Government agreed to share capital costs of technical and vocational schools constructed under the agreement. The important thing was that no strings were attached to the agreement. The provinces were given complete responsibility and the required flexibility to meet their individual needs by deciding on the location and character of the institutions. Since the inception of this programme Ontario has constructed 358 vocational and technical schools and additions to existing schools. These have provided approximately a quarter of a million pupil places and have cost in excess of 600 million dollars. The Federal Government's share has been in the neighbourhood of 300 million dollars.

Last year another important development got under way with Bill 153 which amended the Department of Education Act to allow for the establishment of Colleges of Applied Arts and Technology. It is not intended that these colleges should be copies of American Junior Colleges or Community Colleges. They are to be flexible institutions, broadly designed to meet the needs of the areas in which they are built.

Decentralized authority will reside in a Board of Governors which will be appointed for each college. Each college will serve a region of the Province. These boards will be semi-independent non-profit corporations and will be governed by regulations made under the Department of Education Act. Each board will be assisted by an advisory committee for each branch of a programme of instruction offered in the college. The colleges, in addition to their basic programme, will meet local needs through agreements between boards of governors and local industry where the latter may be called upon to assist in drawing up courses of studies. Similar arrangements may also be entered into with professional organizations. Agreements may also be made with universities for the establishment of programmes operated by the universities leading to degrees, certificates or diplomas. The legislation made provision for the costs of building these colleges to be borne mainly by the Province. Students will be required to pay nominal fees, and the Province will recover some of the remaining costs under the terms of the Federal-Provincial Agreement.

This then is another example of how the Federal Government assists by providing resources, which are supplemented by the Province in order to meet local requirements.

There is one other new feature of our educational arrangements to which I should devote some of my time today. All of us, I think, are daily more conscious of the vast social, economic and technological changes which are sweeping our world. For the happiness and well-being of our children and their children, we have to acknowledge and come to terms with the new circumstances that are developing daily almost as we watch. What principles, what methods can we best use to adapt ourselves and our system to these new circumstances? The eminent historian A. J. Toynbee has summed up the intelligent approach in this striking passage:

> "The constructive way of dealing with the inevitability of change," he tells us, "is to make changes voluntarily before they impose themselves. The earlier we take action, the wider will be our range of choice. If we foresee a necessary change soon enough, we shall have some chance of controlling it and of guiding it into channels which will not be devastating, but constructive."

Or, as the President of the United States said recently, "We must change in order to master change."

Many of the changes ahead of us will have far-reaching implications for employment, for everybody and particularly for education and training. The long-term solution to many of these problems lies in education and training, in the fullest possible development of all our human resources.

As our eminent former countryman John Kenneth Galbraith states: "Investment in personal development is therefore at least as useful as an index of progress as investment in physical capital. It could be more valuable." He goes to warn "This is the kind of change which solemn men of self-conferred soundness of judgement will continue to resist; the familiar is always defended with much more moral fervour just before it becomes foolish."

I strongly endorse this view that our shrewdest and most profitable investment rests in the education of our people. How firmly we are committed to that principle is shown by the size of the education portion of the Ontario budget recently outlined by the Provincial Treasurer.

We have come to the conclusion that in education, as in other segments of our economy, the key to our future lies in research and development, in planning to anticipate and meet the demands of social and technological change through deliberate alteration of the educational structure. This will require research and experimentation, and a continuing evaluation of the old and the new. In pursuit of this objective, elaborate and far-reaching plans are being developed, in which the resources of education, industry and government, supported by the most modern techniques, are being mobilized.

We are fully aware that educational priorities transcend provincial boundaries. In this regard we are in constant touch with other departments of education across Canada exchanging information and profiting by mutual experiences. I am glad to inform you that there have been absolutely no impediments to this co-operation because of geographical, political or cultural differences. Unfortunately this type of quiet, effective co-operation, which is by far the most prevalent and positive factor in Canadian educational life, is sometimes obscured by those who work for and exploit only the negative.

Beyond this, too, I can speak of one of the most promising new developments in the relations between the people of Ontario and Quebec. This lies in the prospective cultural exchange programme, now in its initial stages. It is to be anticipated that a much greater degree of understanding of the motives and aspirations of our two great national groups will follow a more lively interchange between us. The special contribution which our different national origins may make to the increasingly complex pattern of Canadianism will, we hope, bring illumination and inspiration to the development of our country.

Thanks of this meeting were expressed by Dr. Murray F. Ross.

MARCH 10, 1966

Law And Survival

AN ADDRESS BY Mr. Justice W. O. Douglas
ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, Mr. Justice, Mr. Consul General, honoured guests, gentlemen–

Since our recent difficulties with a well-known acceptance company, some of our American friends have been a bit critical of our behaviour in the financial field. In fact, there is a story going around about a grizzled old banker who is being interviewed on his successful career. "How did you get started in the banking business?" he was asked. To which he replied "It was quite simple, one day I put up a sign saying 'Bank'. A fellow came in and gave me one hundred dollars and then another came by with two hundred dollars and, sir, by that time my confidence had reached such a point I put in fifty dollars of my own money."

Bacon, in one of his excellent essays, said "Judges ought to remember that their office is to interpret law and not to make law or give law." The Supreme Court of the United States of America did not exist, of course, in Bacon's time and was indeed not constituted until some years after the American Revolution. However, in 1787 it was concluded that a Supreme Judicial Tribunal was required and Article 3 Section 1 of the Constitution provides "The judicial power of the United States will be vested in one

Supreme Court and in such Inferior Courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and Inferior Courts, shall hold their offices during good behaviour and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office." It is interesting to note that although this Article gave the Supreme Court a status independent of the will of Congress, the Constitution did not prescribe the size of the court nor does it spell out the exact scope of jurisdiction in so far as appeals are concerned – the Supreme Court is, therefore, subject in important respects to Congressional action.

The size of the Supreme Court has varied – it began in 1789 with a chief justice and five associate justices. By 1863 it had grown to ten and later it was reduced to seven and in 1869 it was increased to the present figure of nine. Tenure is during good behaviour and subject to expulsion by conviction in impeachment. The record over the years shows only one case of impeachment – Samuel Chase, who was acquitted in 1805.

All appointments to the Supreme Court are made by the President with the advice and consent of the Senate. Over the years, nine nominations have been rejected by the Senate. Some conflict between the law making bodies and the Supreme Court is inevitable since one of its basic functions is the exercise of power to decide whether Acts of Congress or of the State Legislature are unconstitutional and no other body, of course, exists which can discharge this important duty.

It has been said that the principal problems of the Supreme Court have arisen over the question of interpreting the Constitution in the light of a changing world and perhaps the most famous case in history and one which illustrates the point in question was the Dred Scott case in 1856. Scott was a Missouri slave who sued for his freedom. Several states were involved – some slave and some free – and the issue was complicated by the times. However, on

6th March, 1857, Scott was declared out of court on the grounds that a slave could not be a citizen of the United States or have any standing in Federal Courts. The Chief Justice at the time said one of the constitutional functions of Congress was the protection of property and since slaves were property as defined by the Constitution, Congress, and presumably the Supreme Court, was bound to protect not to prohibit slavery. It could be said that no decision in history cost more to reverse – when the American Civil War ended, more than 4,000,000 men had been in arms and half a million Americans had died. Years later, the famous Justice Charles Evans Hughes characterized the Dred Scott case as "a self-inflicted wound for the Supreme Court" but the important point is that the Supreme Court has changed with the years and is still changing, not only with the times but often in intelligent anticipation of them.

Senator Carter Glass, speaking some years ago, had this to say: "The men George Washington selected for chief justice and associates were not only persons of eminence in the profession of the law but in character and literally incapable of going on the Bench to submit obediently to executive decrees."

I shall now introduce a man who represents the qualities that have brought the Supreme Court to its present eminence.

Our distinguished speaker today, although born in Maine, spent many years on the west coast in the State of Washington. He graduated from Columbia Law School in New York in 1925 and was a member of the faculty of that excellent school for four years. Later – from 1928-1936 – he was a member of the faculty of the Yale Law School. About this time he conducted various studies in bankruptcy for the United States Department of Commerce, the Yale Institute of Human Relations and the National Commission of Law Observance and Enforcement. He was a Commissioner of the Securities and Exchange Commission and later Chairman of that Body from 1937-1939 when he took his seat in the Supreme Court of the United States as an Associate Justice.

This illustrious jurist is equally distinguished as an author and explorer. He is not only thoroughly familiar with our own continent but has travelled in most other countries of the world as the titles of his books indicate–*Strange Lands and Friendly People*, *Beyond the High Himalayas*, *North from Malaya*, *Russian Journey*, *West of the Indus* to name only a few dealing with foreign travel, while closer to home his works include *My Wilderness*, *The Pacific West* and last of all, *A Wilderness Bill of Rights* which he produced only last year. Vitally involved with the decisions of the Supreme Court which more and more shape the way of life in the United States of America, he nevertheless makes time to keep in touch with the outdoors of which he is so fond. A first-class woodsman, he knows the wilderness and loves what he knows. It might well be said that no man in the United States of America today is doing more to preserve unspoiled for posterity those regions of the United States not yet polluted by civilization or desecrated wantonly by those who care nothing for the future provided they may ravish the land for a quick profit today.

I have the honour to present to you a judge who has reached the highest pinnacle to which an American member of his profession may aspire, an explorer, an author, a naturalist and a man – Mr. Justice William O. Douglas, Associate Justice of the Supreme Court of the United States of America.

MR. JUSTICE DOUGLAS:

The people the world over are very much concerned with the dangers of nuclear war. The ability of man to reduce the earth to radio-active rubble has reached the consciousness of everyone and has generated vast anxieties.

Our problem, therefore, is one of the prevention of war, or if war starts, the prevention of escalation.

The risk of nuclear war increases with the passing of the years because stresses and strains cause tensions to mount, and to some, it is an easy, simple remedy merely to drop a bomb on one's neighbour and thereby "solve" its major problem. As the nuclear club increases in size and as the world tensions increase, the risks will continue to mount. We are indeed foolish to think that our generation is better than those who preceded us. There have been high-minded men throughout history. Yet every generation so far has produced rascals, some of whom have wrought vast destruction. It is too awful to contemplate what would have happened if Hitler had had the atomic bomb in his arsenal. But we have not seen the last of the Hitlers. That particular crop seems indeed to be flourishing these days.

The Cold War has largely incapacitated us for dealing with basic world problems. It has kept the largest country in the world out of the United Nations. I refer to the Peking regime that commands the loyalties of 700 million people. The Cold War for years isolated the West from Soviet Russia and set back by many years the vast co-operative undertakings that are necessary if the world is to build a regime of law. Any serious talk about disarmament is largely futile unless all the major powers are at the conference table. The Peking regime is one of the major powers and yet it is labelled an outlaw. Steps toward disarmament must therefore be very meagre and halting.

Yet if we are to survive, there must be an end to wars. For most people it may be inconceivable to think of a world without war, because war has written some of the largest, most stirring chapters in our history. Wars get caught up with national pride, national enthusiasm, feelings of loyalty, deep passions, and are propelled by almost uncontrollable forces. Yet people at one time thought very deeply about slavery and thought it was man's destiny to live in a slave-ridden world. That was the view on this continent, even 100 years ago. But slavery has pretty well been abolished and in time, if we survive, war will be too.

This does not mean that armed might will disappear. Man is by nature a predatory, aggressive being. He is capable of infinite mischief. Any political unit of any continent of this planet shows the conflicts of which people are capable; and each one has policemen, militia, sheriffs, and rangers to deal witth them. The nations of the world will always need police forces and policing, because the quarrels between states will be often real and ominous. In other words, a demilitarized world will not and cannot eliminate the infinite power struggles inherent in the nature of man. But what it can do is eliminate the war system that today takes the awful risk of reducing the world to radio-active ashes. The problem is how to find alternatives to the use of armed force.

The United Nations is part of the mechanism that we need. It has a legislative body, an executive arm, numerous and effective administrative agencies, and a judicial branch. Each of these is somewhat in embryonic form, when we place them against the standard of world government envisioned by Lord Tennyson's "The Parliament of Man." But the foundation for supra-national organization is present, the problem being how to get the nations of the world to use it.

We start with the International Court of Justice, an institution of distinction but largely without work. The reasons are the crippling amendments that have been adopted restricting the various nations' adherence to the Court. Typical of these is what's known in the United States as the Connolly Amendment which in practical effect is an acceptance of the jurisdiction of the Court in such cases as the United States is agreeable. The principle of reciprocity gives the same defence to any nation sued by the United States. The result is that this Court, which should have at least several hundred cases a year to adjudicate, has less than a handful—perhaps one or two or sometimes three.

Though the mediation, conciliation, and arbitration facilities of the U.N. are considerable, they are not greatly used. We of the West are delinquent in this respect as are those in the communist bloc. Russia undertook to handle Hungary on her own; India, Goa; and the United States, Viet Nam. We must build different patterns for international conduct. The machinery is there to make other solutions available. If we of the West undertake to police the world against communist uprisings, the communist bloc with the same prerogatives can police the world against democratic revolutions. That would in the end produce a lawless world regime that would increase greatly the chances of a nuclear war.

Khrushchev on January 1, 1964, proposed that all boundary disputes be submitted to international adjudication. I often wondered why he was not taken up on that proposition. Down my way they called it propaganda. But how can we be sure? If we took an international consensus that all boundary disputes should be settled by mediation, conciliation, or arbitration, we would have set one large, substantial block in the edifice of international law. Our search must be for a consensus of such items, piece-by-piece, so that the structure of a Rule of Law at the international level may become complete.

The U.N. is not the cure-all. It cannot handle all the differences and disputes between its member states. Much needs to be done at the regional level. In this hemisphere, OAS is embryonic and largely without substance except as a meeting place and a clearing house for ideas. It has no court though one is sorely needed. It has no real legislative and executive functions.

SEATO in the Pacific is largely the white man's last attempt to build a bastion in Asia. It has depreciated largely to a treaty between the United States and Thailand. It was ill-advised from the start because it created the impression that the white man would save Asia, when in truth the only power that can save Asia is a power from within Asia itself.

Great statesmanship is needed in Asia to build the proper kind of organization that can bring a Rule of Law and stability to the area. Asia is today largely a supplier of raw materials to the industrial plants of the Western world. It is the "drawer of water and hewer of wood," having pretty much the same relationship to the West as Yugoslavia had to Russia in the 1940's when she made her historic break from Soviet orbit. Today Asia (like Yugoslavia in the 1940's) desires independence and a vast industrial development.

She needs a common market. She needs an Asian entity that will provide a large measure of common defence. She has difficult and staggering problems to solve. Now that the atomic bomb has reached Asia those problems cannot be left to strictly military solutions.

We of the West are often confronted with similarly gargantuan problems on this hemisphere. Some think we can combat revolution by arming and financing modern fascist regimes. But this cannot be done for long. The function of life is change, and change has long been over-due in the countries to the south of us. Only three have had their basic revolutions–Mexico, Bolivia, and Cuba. There are good and excellent democratic beginnings in some countries but there is also the hard core of the feudal system remaining in many of them.

What we of this hemisphere must propose and work out is a vast common market for all of our members. The tendency in Latin America is for the miserable people of the back country to escape to the cities. Palatial cities are now literally ringed with slums created by these refugees. Vast internal developments must take place for the reversal of that trend–the return of the people from the cities to the country with modern agriculture, small industries, healthy communities, and the like. In Bolivia one can get a glimmer of the things that can be done where the Civic Action Programme has resettled many of the occupants of the *altiplano* to the lowlands which are now pretty well freed of malaria and yellow fever. Vast planning is needed in this hemisphere if we are to avoid the disaster of what might be called the anarchy of the proletariat. The problem is increasingly important because of the birth rate. Due to public health, babies do not die and life is extended. As a result of all this, the standard of living in Latin America is probably lower than it was 30 to 50 years ago, in spite of all the advances that have been made.

Revolutions are needed – not necessarily in the sense of 1789 – not in the sense of blood and thunder – but revolutions in the whole approach to the problem of modernizing and developing these ancient feudal countries. I emphasize the common market in this respect because trade and commerce are very important sinews of stable societies. Without them law may not have a very robust framework for operation. In terms of law and survival these regional common markets are critical.

We are, I think, closer to a break-through in these regards than ever before. Change is in the air the world over and the leaders more and more recognize its importance. Positive action by the leading powers can, I think, produce some near miracles. A Rule of Law requires a consensus and there are limits to which a consensus can go. There can be no consensus on a surrender of our liberties. There can be no consensus that would establish a Western military outpost in Viet Nam or a communist military outpost in Mexico. But there are several kinds that are immediately practical. First is a consensus which provides procedural devices for keeping conflicts from triggering the nuclear holocaust. Ground rules must be provided that bring an issue to the conference table rather than to the battlefield. We of the West have such a device in the labour-management field. We need a like remedy in the international field.

The years 1963 and 1964 produced four rather significant landmarks in this effort. The Treaty Power was used to produce the Nuclear Test Ban Agreement. The Executive Agreement was used to establish the so-called "hot-line" between the Kremlin and the White House. A consensus was reached between the United States and Soviet Russia on ways and means of preventing the spread of nuclear weapons to outer space. A cutback in the production of weapons-grade fissionable material was also reached.

There are other urgent needs for a consensus with the Soviet bloc. One is a non-proliferation treaty governing nuclear bombs, as proposed by Senator Robert F. Kennedy and Senator John O. Pastore. Another is the creation of nuclear free zones in the world. A third is the extension of the Test Ban Agreement to underground tests. A fourth is a cutback of all nuclear weapons.

A second kind of consensus that is needed is one among like-minded nations to settle all controversies by law such as is done between Canada and the United States. That must become the universal pattern. That means opening the doors of the International Court of Justice to its fullest extent. It means the use of conciliation, mediation, and arbitration, rather than arms, to settle difference even between the largest of the powers. A third kind of consensus that is needed is one that will bring into the U.N. all the countries of the world so that the institutions of the U.N. may be more readily available for settlement of all issues that threaten world peace.

What I have described would provide a bare skeleton of a Rule of Law. But if the nuclear holocaust is to be avoided, the pattern produced by even a ten-year regime under a Rule of Law would lead to the greatest sense of security mankind has known.

There are many cleavages in the world. The communist and democratic differences represent only part of them. There is feudalism that still fastens itself on large parts of Latin America. On all the continents there are underdeveloped nations seeking to become developed and some developed nations that would rather keep the backward ones as suppliers of raw materials. Overriding all these cleavages are racial differences. Common ground is, therefore, often difficult to find and maintain.

We often curse the sovereign state as the villain responsible for our woes. But the critical, initial problem is not whether U.N. decisions can be enforced. It is whether the conference table, rather than troop movements, is used. The Western world, Soviet Russia, and China, while enshrining different concepts of freedom and justice have gone far to organize men of infinite variety into co-operative activities. Apart from the weapon system, the world as it exists is probably better today by most standards than it was at any previous time. As the real inutility of the weapon system becomes apparent and its burdens persist, more rational means will be found to abandon it.

The world today is sharply divided into two opposed military camps, each believing it has the keys to happiness, each believing it is the harbinger of the future. Any accession of superior force by one nation immediately causes the opponent to acquire an equal or superior force. This has never produced peace–only war. The balance of power in the armament race is, therefore, never frozen. Neither polarized force can be destroyed without nuclear war. In practical reality the problem is not one of coexistence, but one of co-evolution. Each side must have that chance or the people will perish under radio-active bombs.

Thanks of this meeting were expressed by R. Bredin Stapells, Q.C.

MARCH 17, 1966

Where Canada?—From An Albertan's Point Of View

AN ADDRESS BY E. P. Lougheed
LEADER. PROGRESSIVE-CONSERVATIVE
PARTY OF ALBERTA

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, Mr. Frost, Mr. Controller, distinguished guests, gentlemen–

We of the Empire Club of Canada must, of course, maintain an interest in politics for under the democratic system politics–which in happier times were considered an art – are the day-to-day Government of the country. Since the welfare of the Commonwealth, and Canada within the Commonwealth, is the prime object of this Club, it is our duty to so interest ourselves and in regarding the appalling chaos that characterizes our House of Commons as we approach our one hundredth birthday, I feel the average Canadian is in the same situation as the grizzled old prospector that staggered into the mining camp with an Indian arrow protruding from his back. After receiving such rough first-aid as was available, he was asked by a younger prospector "Did it hurt much?" To which the old chap replied "Only when I laughed." While there is no doubt that the rest of the world is laughing heartily at our present position, I suggest there are very few Canadians, no matter what their political persuasion, that find the present situation even remotely funny. It is said to be an axiom that a country gets the government it deserves and it may be that you and I and all of us in Ontario enjoying the excellent administration and leadership which characterizes the provincial scene have been too preoccupied with business and general prosperity to devote more than the most perfunctory attention to our national processes of Government. Most of us in this room are veterans of one or another of the wars of this century and when the chips were down we put aside our careers and our families and all the things that made up our lives because we realized that freedom was at stake and as André Maurois said after the fall of France "If a nation values anything more than freedom then it will lose its freedom and when freedom is lost nothing remains." I suggest to you that the time has come for all of us who love our country and who value the democratic way of life to take a more active interest in national politics for surely Canada deserves more than a combination of leaders who on the one hand cannot govern and on the other will not govern.

Finally, gentlemen, a quotation from John Henry, Cardinal Newman, and I quote: "There is such a thing as legitimate warfare: war has its laws; there are things which may fairly be done. . . . He has attempted, as they may call it, to poison the wells." He was speaking of another age and another situation but the words are apt indeed today.

When I say that we must all reproach ourselves for permitting the present situation to develop, I welcome our speaker, a man of great ability who not only feels that the democratic process is important but is doing something about it. Born in Calgary, he attended various schools in that city and then proceeded to the University of Alberta. Later he studied at Harvard University, graduating as a Master of Business Administration in 1954. He was President of Students' Union while at university and also, while attending the University of Alberta, played professional football for the Edmonton Eskimos. He joined Mannix Company, the well-known contractors, in 1956 – leaving them to form his own Calgary law firm. He is First Vice-President of the Banff Olympic '72 Committee, a Director of the Stampede, a Director of the Calgary Community Foundation and is active in many other areas in his home city. In 1965 he was appointed provincial leader of the Progressive Conservative Party of Alberta.

Gentlemen – I have the honour to present to you a young Canadian from the West – the type of man who may in the years to come lift our Parliament from the depths of vicious vendetta and partisanship to which it has sunk in recent months. That he is a Progressive Conservative is incidental – the refreshing and reassuring thing is that he is an able, sincere and dedicated Canadian of the finest type, whose family helped to build Alberta for three generations.

Gentlemen – Mr. Peter Lougheed.

MR. LOUGHEED:

I have been looking forward to this opportunity with great anticipation. For a provincial politician from Alberta it is an enjoyable situation. I can tell you exactly what I think and, if you don't like it, you are unable to register a vote against me! It has always been good political sport in the West for a western politician to go East and tell the East how to run their affairs for the benefit of the West. You might not like what I say but I assure you that this approach is very well received in Okotoks.

I am particularly pleased that by a happy coincidence I am here on March 17th. Up to a few years ago I had always thought that the Lougheeds were Scotch and thrift was the order of the day. But, my good brother, in typical thorough engineering style, returned from a trip not too long ago and announced that all was wrong – we were Irish – and always had been! However, to my concern, my wife recently remarked that this pronouncement had changed my entire personality including my attitude towards spending–I regret to advise that my auditor has not as yet completed his review of our joint chequing account!

I want to speak to you about where Canada is heading from the point of view of an Albertan. I recently proposed to the annual convention of the political party I represent that one of our guide posts be that we should work towards an Alberta Government which considered itself Canadian before Albertan and hence promoted the cause of national unity and economic sovereignty as well as the determination of national purpose. This might not be in the most popular political position for me to take in our western province, but it is, nevertheless, the position I intend to always maintain.

Alberta sketch:

But, first let me sketch briefly the Alberta scene today. Since 1956 Alberta has been the fastest growing province in Canada. What sort of a province is this new Alberta?

1. It is a province where the Provincial Government proposes this year to spend the fabulous amount of $455 for every man, woman and child in Alberta–this is almost double the proposed Ontario expenditure rate.

2. It is a province where 42% of the provincial revenues comes from natural resources–only 35% of provincial revenues comes from normal tax sources as compared with 65% average in the other provinces–there is no sales tax.

3. It is a province where the major investment industry–petroleum–is dominated by a very few foreign companies in an industry that is at least 70% controlled outside of Canada. (This compares with Canadian manufacturing industry where approximately 55% is owned outside the country and where there is obviously a much larger number of separate enterprises.)

4. It is a province where the two major cities–Calgary and Edmonton–are the fastest growing in the nation and

at the same time have the highest municipal debt per capita and impending urban renewal problems.

5. One of these cities–Calgary–includes in its population approximately 20,000 United States citizens who play an important–but a non-political role–in the community.

6. It is a province which has still an agriculture base–a base where wheat is the key commodity in a situation where 57% of Canadian wheat and flour equivalent is exported to China and other Communist countries.

7. It is a province which despite its prosperity still has hard core pockets of rural poverty.

8. It is a province with low unemployment but a severe shortage of skilled workers.

9. It is a province where very few of the people were born within its boundaries–where in the cities many of the people come from other urban centres in English Canada and in the province as a whole where many come directly from other countries as is the case here in Ontario.

10. And perhaps most important it is even now a province where over half of the entire population are under the age of 25.

It is thus a most interesting province–the action and interaction of these 10 factors will have some very significant consequences–Alberta of course has an obvious need to avoid coasting on its petroleum revenues and move into a third stage of development–building upon the base of the agriculture and petroleum foundations–a diversified economy such as you have here in Ontario–a third stage of industrial development with secondary manufacturing leading the way–supported by a substantial growth in the tourist industry.

What sort of a perspective and outlook has this new Alberta?

The very nature of the Alberta economy should result in it being both national and even international in outlook. The province is significantly dependent on wheat sales as the foundation of its agriculture economy–this means that fluctuations in purchases by the Communist countries have a marked effect. The continuation of investment by the petroleum industry is the basis of the provincial revenue structure–its continuation is dependent upon the effectiveness of a national oil policy and also upon developments in the international petroleum industry. Alberta's future depends on a third stage of industrial and tourist development –the national parks policy, a national water policy, and the growth of central Canada's industrial base here all require Albertans to look beyond our provincial borders. Finally, the fact that few Albertans are native to the province– strengthens its obvious national and international perspective.

Yet strangely enough we have in Alberta a province that could easily in the next decade be one of the least amenable to the central Government–already in the area of national park, the policy, and medical care, Alberta is moving to the outside position.

The anomalous situation is a matter of concern to me and many Albertans. Why? Is it inevitable? Desirable? And from your point of view, how significant?

I submit that its resources and its particular location nearest to B.C. Yet the wealthiest of the prairie provinces –make Alberta's direction and mood most significant in the total Canadian picture.

So this is the new Alberta–probably the most rapidly changing province in the nation – but a province whose changes are less obvious and more subtle than most.

Where Canada?

But I do not intend today to talk merely about Alberta– I have described the Alberta scene to frame my own views and to show the significance of one province in the total Canadian picture.

Where is Canada going? This is a matter of concern to all of us and particularly so in this distressing week. Where in particular is Canada heading during the decade of the 1970's? I would like today to give you the views of an Albertan coming from the province I have described. Views as to the public needs of this nation – needs which arise from the necessity for the political community to catch up to the social, cultural and business communities of Canada.

There has been a tendency in this country to decry our problems and not emphasize our needs and directions:

1. We need in Canada a halt to the growing regionalism in this country – a return to a strong central Government. We will need more than a consensus with Quebec. We need an awareness by the provinces of their responsibilities to support the central Government – an attitude which has been effectively stated by the Prime Minister of Ontario. Certainly within the economic realities of Canada there is a place for such vehicles as the Atlantic Union and the Prairie Provinces Economic Council. But our peculiar combination of parliamentary system within a federal state requires statesmenship by the premiers in resisting provincial political gains to the detriment of national strength.

2. We need now in Canada a White Paper on the legislative jurisdictions clearly delineating the provinces' responsibilities – and establishing the existence of federal direction over fiscal policies. We need this to be followed by a public conference to move towards a Canadian constitution. This matter cannot be allowed to drift.

3. We need in Canada a fresh look at our parliamentary system – does it work for us in Canada in 1966? Let's not always be so critical of our politicians – let's look at the system within which they operate. Let's recognise that the fact that the system apparently works in Great Britain is not too relevant – the U.K. Government does not have 10 strong provinces to deal with – or a population spread over the one of the largest countries in the world. By nature I am in favour of tradition – but let's see if today's custom is in fact in accordance with tradition – for example, on the matter of free votes, I am convinced it is not.

4. Let us establish after public debate a sensible list of legislative priorities. A case for such a need has been ably put by Premier Roblin of Manitoba. Let us tie this list in with the legislative priorities for the provinces. Let us see if our aggregate revenue sources for the federal government and for the provincial governments can meet the aggregate demands for public expenditures. Let us in this way expose political platforms that are irresponsible.

5. Let us establish soon a practical approach to the development of our national parks – there are now 7,000 square miles of national parks in Alberta – 11 in Ontario. I am confident that the apparently conflicting views of the conservationist and the developer can be reconciled. They had better be else on this issue Alberta will move strongly in conflict with the central governments.

6. Let us start now with a recognition as to the importance of our water resources. Let us realise that in the area of U.S.-Canadian relations that water will probably be the dominant issue of the 1970's. Let us recognise that water could be our highest card in international trade. Let us start now to demand that our federal and provincial governments move quickly to the position that they know how to play this card for the benefit of future Canadians – or whether or not it should be played at all. Let us not be prepared to accept the excuse that the water study is too large to be comprehended by the Canadian public. Alberta is the key stone province in this issue. But the moves of the future will have to be joint federal and provincial co-operative efforts.

7. Let us never weary of a continued Canadian dialogue and discussion as to the implications of foreign ownership of parts of our Canadian economy. Let us though not be alarmists. But let us also recognise that this factor has more than economic implications – that it can have grave influences on our younger Canadians – on the degree of their pride in our great nation – on their respect for Canadian institutions.

8. Let us develop programmes by Government, by political parties, by the community–to channel the energies and aspirations of young Canadians in building a greater nation. Let us not merely preach about how important are the youth of Canada–let us show that we meant it–let us support such endeavours as the Olympic movement–let us give young Canadians the responsibility over their own affairs that can be sensibly assigned–and let us most of all listen very carefully to what they say.

9. Let us in this country not be quite so quick in our criticisms. Let us put the emphasis on the positive and on the constructive. Let us have a recognition that the issues, the problems, and the questions facing Canada are not simple–that they are complex–but let us be completely confident that they are not too complex and that they can be solved.

10. Let us finally require our political parties to state the framework of their philosophy in clear terms. Let us not expect, or even want, that the philosophies be diametrically opposed. But let us know what our political parties stand for and compare constantly their actions with their declarations.

Conclusion–participation

It is on this last point that I wish to conclude. I believe we should be justifiably proud of our economic, cultural and social progress. I admit that the progress of our political community has not kept up to the rate of progress in the other areas of our society–why?–simply because there is lots of talk but far less participation by the community generally, and the business community in particular in politics in this country compared for example to the United States or to Britain.

There are a lot of reasons for this lack of participation–some are valid–but is the excuse valid of avoiding participation with an opposition party because of its supposed adverse effect on one's business? In my view it is not–in fact–most businessmen who are involved in politics are respected by politicians of opposing views. The politician is least likely to be influenced by the businessman who is afraid to participate–he often considers him politically naive.

How you have heard many speakers urge you to participate in politics. But most of the time it is to urge you to run as a candidate. Let us face it–we all know–that with certain exceptions this is impractical. We also know that many consider that they are participating by helping with an annual brief from their business association to the Government of the day mainly directed to the civil service. That is not politics–that is lobbying!

There is a wide area of political activity between lobbying and running for public office. Don't merely criticize from the sidelines–get into the fray of a political party–I know – I have had my bluff called.

The most important political decision in this country is the selection of party leader at the national and provincial levels. I doubt that many realise just how easily one can play a significant role in the selection process–or how satisfying it is to be part of the action. If you can negotiate with business traders–you can negotiate successfully with the lawyers, teachers, farmers and civil servants that dominate our political parties. If you can afford one night a week for your club these past ten years–why not shift your interest to one night a week for your political philosophy? If you want to be helpful in a practical way–prepare an actual speech for your political leader or member or candidate on a subject upon which you are well informed–it will save him many difficult hours of research.

I come from a young growing and virile province–no different than here–no different really than the nation as a whole–a nation of potential–a nation of promise–you want to know what you can do about our political institutions–if you have conquered the boardroom why be afraid of the backroom – if you have met the shareholders why not the party organizers.

If you want dignity and competency in public affairs why not bring your dignity and your competency to your constituency and in due course to the political party of your choice at every level.

This week we have heard indignation and dismay – criticism and disgust – most of it justified – if it bothers you think how it must bother young Canada – but let us not be content with indignation – forgotton tomorrow in light of tomorrow's personal problems – isn't it time for a fresh new approach to our political affairs in this country.

Thanks of the meeting were expressed by Mr. H. N. R. Jackman.

MARCH 21, 1966

Business And Government In Relation To Our Economy

AN ADDRESS BY Hon. R. H. Winters
MINISTER OF TRADE AND COMMERCE

JOINT MEETING THE CANADIAN CLUB OF TORONTO
THE EMPIRE CLUB OF CANADA

CHAIRMAN George E. Gathercole, President,
The Canadian Club of Toronto

INTRODUCTION George E. Gathercole

MR. GATHERCOLE:

Our honoured guest is known to all of you either personally or as a favourite subject of business and political writers. He has been described as a member of Canada's power elite; a six-figure a year man; a diplomat entrepreneur; a new-fashioned man at the top; a prime specimen (no doubt Red Brand); and an Eisenhower with brains. I was puzzled by this description for Eisenhower is generally respected in our country. Then I recalled that one writer of the American political scene had observed that Roosevelt had proved that a man could be President forever; that Harry Truman had proved that anyone could be President; while Eisenhower had demonstrated that you did not need a President.

To me, Bob Winters, the son of a Lunenburg-Grand Banks schooner Captain, is a man who has tried to make of life a continuing adventure and has succeeded. While most of us go around like the worried dog who has not only lost the scent, but is afraid it is losing its sense of smell, Mr. Winters moves from one distinguished career to another with an assurance and confidence born of success.

One of my first encounters with Mr. Winters occurred many years ago. He was then Minister of Public Works and had come to Toronto with David Mansur, President of C.M.H.C., for a discussion with Premier Frost on housing. Mr. Frost had invited me to attend as well as one of the great characters of a number of years ago, Chester S. Walters, for many years Deputy Provincial Treasurer. We had gathered in the Council Chamber and were waiting for Mr. Frost. Someone asked, "I wonder if Mr. Frost knows that Mr. Winters is here?" Dr. Walters' immediate retort was, "Well if Winters come, can Frost be far behind?" and at that moment Mr. Frost walked in.

Government is not dull. It is exciting. It is challenging. It is big business. It is important. Sometimes the objectives of government become clouded over in the heat of the debate or in the struggle for a tactical advantage, and there is admittedly a need for a new perspective, a sense of proportion, a sort of detachment that might be adorned by the tale of the lady at the zoo who was watching the hippopotamus and asked the keeper, "Is that a male or a female hippopotamus?" "Madam," said the keeper, "I cannot see how that could be of interest to anyone except another hippopotamus."

There is a lesson in this for all of us. We who are not in Government as such, at least in the hot crucible of politics, should be equally on guard that we do not become captivated by eccentricities and absorbed by trivialities and thus lose sight of the great work of government that is being done by men and women across this country who are honest, sensible, hard working, conscientious and dedicated to the progress and well-being of Canada.

Such a gentleman is our speaker today – a man who has been a brilliant success in both government and private business; a man who has made his life a continuing adventure in the service of Canada and we are all the better for it.

It is a pleasure to present to you the Honourable Robert H. Winters, Minister of Trade and Commerce, who will speak to us on "Business and Government in Relation to our Economy". Mr. Winters.

MR. WINTERS:

I am grateful to you, Mr. President, for inviting me to be with you today. I remember, with pleasure, the last occasion on which I occupied this rostrum – just over a year ago. I was then a member of the Toronto business community – an experience that I found most enjoyable.

However, my circumstances are now somewhat different. I have once again become a public servant, and, even though my present experience in Government has been of short duration, I should like to talk briefly on the subject of business and Government and give you a few of my current impressions. I will then make a few remarks on the condition of our economy as I see it, including a brief reference to the Kennedy Round of tariff negotiations, which I regard as being of outstanding significance to Canada.

I believe private enterprise is the economic system best able to provide the standard of living sought by Canadians.

The revenues needed in increasing degree to support our economy, to provide basic Government services, to fight poverty and inequities, and to provide a fair level of social welfare, can best come from efficient private enterprise, operated according to sound business principles. It is because I hold these principles that I accepted an invitation to join the Government in the hope that I might, among other things, usefully reflect a businessman's approach and philosophy into the affairs and decision-making processes of the Federal Government.

Government is the business of the people, and it is very big business, indeed. But, there are fundamental differences between private enterprise, which finds its motivation in the incentive of profits and Government, which is dedicated to the service of the people. The Government, however, can discharge its responsibilities to the best advantage if, in the conduct of its affairs, it strives to obtain the best value for all of our citizens from the money it has to spend.

This demands efficiency, careful evaluation of the programmes on which it embarks, and diligent control over its expenditures.

While I believe the experience of a business executive can be useful in Government, I am more convinced than ever that it is easier for a politician to become a businessman than it is for a businessman to become a politician. Judging from a recent article in *Fortune* magazine, I believe Secretary Connor of the United States shares this conviction. I have long held that view, and, if I had not had previous experience in the Government, I would, I am sure, find this transition very difficult indeed.

One who has had experience as the chief executive officer of a private company would find the decision-making processes in Government to be very different. I subscribe, fully, to the principle of Cabinet solidarity–which means that, once decisions are taken, the whole Cabinet is bound to support them.

There are 26 Ministers in the Federal Government, representing diverse interests and geographic areas. They must endeavour to reconcile into national policies the many different and often complex aspects of Canadian life. Usually, common ground can be found and while the decision taken might not satisfy all, it is usually supportable.

There will undoubtedly be decisions taken by the Government, and supported by me, which will cause some concern to many of my friends. The question inevitably arises as to whether one can serve best by trying to work from within the Government, or whether he can be more effective and constructive if he has the freedom to express his private views. Every Minister undoubtedly wrestles with this conflict from time to time.

The same, of course, applies in private business, but there the balance sheet is usually the final measurement of whether the decision is right or wrong.

There is no such yardstick in the administration of public affairs, with the result that Government decisions become much more a matter of choosing the best course open in the circumstances.

Another facet of Government administration that would strike a businessman is the amount of committee work in the decision-making processes. With such a large number of departments, there are bound to be many matters that are of common interest to two or more departments, so that inter-departmental consideration is often a necessity.

I am not, at this time, offering an opinion on the merits of the structure of Government organization and administration. That can be done and indeed, has been done, by people more competent in this field than I.

I am simply giving a few examples of practices that would seem surprising to a business executive suddenly translated into the Federal Cabinet and using them to illustrate why Government is the art of "finding common ground" and is not, nor can it be expected to be, run with the crispness and decisiveness of a business which has its eye primarily on the balance sheet.

These are days of increasing complexity in corporate structures, necessitated by advancing technology, increasingly sophisticated and diversified products and production techniques.

Management must and does, spend much time, money and effort in adjusting to these changing circumstances. This is a process of constant study and change. Companies run by management that does not advance its techniques with times will lose ground.

Parliament has responsibility for the conduct of the country's public business. The scope and complexity of our public affairs and the consequent demands on Parliament are increasing enormously, but the Parliamentary machinery for enacting the legislation and handling the business of the country has not changed enough to enable it to deal with its programme expeditiously – as evidenced by the lack of progress made by Parliament in this Session to date.

The late John Bryden prepared remarks for delivery to the annual meeting of the North American Life Assurance Company. He was prevented from delivering them because of his untimely death.

He stated, "To achieve excellence we will be forced to take a hard look at our Parliamentary structure to see if it is conditioned for the jet age or merely adequate for the horse-and-buggy days. We will have to consider how the decision-making process can be sharpened up." With those remarks I concur.

Change of Parliamentary rules is resisted by some on grounds that Parliamentary traditions must be maintained. We all cherish valued traditions and don't wish to have them disregarded, but it is wrong to make tradition, as such, an excuse for preventing progress.

Each of us has our own concepts of what the appropriate procedures should be to achieve the best possible results in almost any situation. I don't know how many of us would agree with the set of rules drawn up by Mr. Harry Chapman, and which I saw recently in a copy of *Think* magazine, but I do know some people who seem to apply them. He says:

> "Having served on various committees, I have drawn up a list of rules: Never arrive on time; this stamps you as a beginner. Don't say anything until the meeting is half over; this stamps you as being wise. Be as vague as possible; this avoids irritating the others. When in doubt, suggest that a subcommittee be appointed. Be the first

to move for adjournment; this will make you popular; it's what everyone is waiting for."

I turn now, to our economy. All the indices point to a year of healthy, economic growth.

The high level of economic activity, stimulated by an extraordinarily large capital programme, and coupled with shortages of labour and the difficulty of finding sufficient funds to finance all planned undertakings, will impose inflationary pressures.

This will be one of our most pressing problems as the year advances, particularly having regard to the fact that we experienced an adverse external balance on current transactions in 1965 in excess of $1 billion, and that this figure is apt to be higher in 1966. It will be recalled that the corresponding figure in 1964 was less than one-half billion dollars ($433 million).

Although our payments on invisible account, including monies required to pay dividends abroad, and to service our foreign debt, were only slightly higher than in 1964, we had a sharp decrease in our surplus on trading account.

In part, this was due to lower wheat shipments which will increase in 1966. It is this drop in our balance of trade that must concern us seriously.

To hold our position in world trade and take advantage of opportunities to improve it, we must remain competitive on the basis of cost, delivery and service.

Taxes, of course, are an important element of costs; but it is only through the imposition of taxes that the Government can obtain the revenues it needs to carry out the programmes and provide the services required by the citizens. It is, therefore, incumbent upon all of us to use restraint in the demands made upon the Government if as a nation we are really serious about being competitive with other countries in seeking out and developing new markets for our goods.

Moreover, having in mind the lure of the dynamic economic climate to the south of us, and the tendency for our citizens to gravitate to the broad opportunities it offers, we must strive to maintain in Canada an environment that is favourable for capital investment and which will induce Canadians to remain in Canada and encourage people from other countries to come to our shores.

If we are to avoid too great a disparity between our taxes and those of other countries with whom we compete for manpower, capital and markets, the Government must be selective in its spending programme and resolute in resisting pressures to spend beyond its means. Each expenditure should be judged in terms of its return, as an investment, in material and human values.

The Government would, of course, like to expand welfare payments to all who need them. Every Government would like to do this, and this Government is no exception.

It wasn't easy for Members on our side of the House to vote against the Resolution introduced by the Opposition to increase Old Age Pensions to $100 a month. We would like to have done so. But it is estimated that this would have cost over an additional $800 million a year and having in mind that, even under conditions of unprecedented buoyancy, it is difficult to find enough revenues to cover our current rate of spending, this additional large expenditure would have imposed stresses on our economy which it would have been hard-pressed to sustain. Under these circumstances, increased social payments would bring less in additional benefits than would be anticipated.

In terms of human values, we all want to see need met wherever it is sound, but it seems to me that, if we are seeking orders of priority, it is the youth of the country who will have to carry the burdens of tomorrow that constitute one of our best investments.

I, personally, believe, to the extent that the country can afford it, we must invest more in the fitness and the education of the oncoming generations. This is why, at this stage, the Government set aside an additional $60 million this year for education, as announced in the Speech from the Throne.

To revert, however, to our balance of payments, we have, so far, been able to offset our deficit on current account by capital flowing into Canada from abroad. That, of course, raises the question as to how long it is wise for a country, or a company, to continue borrowing large amounts of money. Many dynamic and expansionist companies are in the same position in this regard as is Canada itself. They approach the problem on the basis that they can continue to accumulate debt as long as they have the capacity to pay the interest and otherwise service their obligations. The same, of course, holds for the country.

But, in due course, the danger point is reached, and it is a wise company, and a wise country, that will avoid this extreme. The real crisis occurs if, suddenly, for some reason or other, borrowing sources are cut off. The equalization tax imposed by the U.S. gave us cause for concern a few years ago. That problem fortunately was solved in keeping with the mutual understanding and goodwill between the U.S. and Canada. New issues of Canadian securities were exempted from the application of the United States Interest Equalization Tax and Canadian borrowers continue to have unrestricted access to the United States new issues market.

U.S. Guidelines

Under the United States balance of payments programme large American companies have been asked to maximize their individual contributions to their national balance of payments position. This is to be achieved in a variety of ways including such measures as export expansion, repatriation of income from abroad, repatriation of short-term financial assets, and the maximum use of the funds obtained abroad for investment purposes. A quantitative limit has been proposed for each company with respect to its direct investment abroad, defined to include retained earnings of foreign subsidiaries in addition to capital advances made by the parent company. Canada is now included within this direct investment guideline, although the limitation applies to all developed countries as a group with no separate targets for individual countries.

There were some misunderstandings in interpretation of the intentions of the guidelines and misapprehensions about their impact on the Canadian economy. At the recent meeting of the Joint Canada-U.S. Ministerial Committee on Trade and Economic Affairs, Canadian Ministers were assured by the United States authorities that the United States Government was not requesting United States corporations to induce their Canadian subsidiaries to act in any way that differed from their normal business practices as regards the repatriation of earnings, purchasing and sales policies, or their other financial and commercial activities. The United States members of the Committee re-emphasized the view that United States subsidiaries abroad should behave as good corporate citizens of the country where they are located.

In light of these developments it seems appropriate at this time to consider carefully what constitutes good corporate behaviour in the case of foreign-affiliated companies. In addition special attention and encouragement should be given to help these companies to adhere to the guiding principles of good corporate citizenship.

The importance of foreign-affiliated companies to Canada's trading position is illustrated by the fact that Canadian subsidiaries of United States companies account for close to one-half of our total merchandise imports from the United States.

All-out endeavour on the part of this group of companies, and all other groups in the trading community, will be necessary if we are to hold our external payments gap to manageable proportions.

Kennedy Round

Following interesting and useful talks I had with Ministers of the French Government in Paris last month, I went on to Geneva to get a first-hand report from our Tariff Delegation participating in the Kennedy Round of trade negotiations. I would like to give you some of my impressions.

As you may recall, these trade and tariff negotiations were set up in response to President Kennedy's initiative. In this initiative, President Kennedy obtained from Congress more tariff negotiating authority under the Trade Expansion Act than at any other time in history. The U.S. negotiators in Geneva have authority to cut the U.S. tariff in half over pretty well the whole range of items imported into the United States. In addition, there is authority to remove the U.S. tariff altogether on products where the present rate is 5% or less.

This is the background to the Kennedy Round. The approach to the negotiations is to find the basis of agreement which will permit the United States to use its full authority under the Act. There are some 40 countries involved in the bargaining, including the EEC, Japan and the United Kingdom. The objective is to get trade barriers down generally and to maintain the momentum of expanding international trade.

How are these negotiations getting on? The negotiations have been proceeding in Geneva for over a year. They are trying to come to grips with difficult and complex problems. The negotiating down of industrial tariffs by as much as one-half is a major task in itself. Efforts are also being made to deal with a complex of problems facing agricultural exports, including wheat and grains. This comes at a time when the European Common Market has major internal problems of its own.

However, we should not be deterred by the difficulties. The benefits that could derive from a successful Kennedy Round are well worth the effort. The prospects are beginning to brighten.

As you know, the negotiations were deadlocked for some time because of internal problems within the European Common Market. At the recent Luxembourg meeting the six countries agreed to move forward in working out their internal problems as well as in their participation in the Kennedy Round. The Ministers of the six countries are meeting to deal with these issues. If, as we hope, all goes well, we can look forward to resumption of active negotiations in the near future.

What could a successful Kennedy Round mean for Canada? We are all conscious of what needs to be done to make the Canadian economy more competitive and productive. The processing of raw materials must be up-graded. Research and technology must be improved. Industry must become more specialized and geared to larger markets and longer runs. We must achieve greater productivity. The Kennedy Round would contribute to all these objectives.

All sectors of the economy could benefit, including our important trade in wheat. For our key resource industries, successful negotiations would have a direct impact on the location, investment and expansion of facilities on a world basis. The most striking outcome would be a general and substantial lowering of tariff levels on semi-fabricated and manufactured goods in the United States and other markets. Our exports of manufactured goods have already shown a remarkable growth in recent years. The further widening of export opportunities that could result from the Kennedy Round – both for our present trade and for new products – would provide the basis for the kind of re-adaptation our industry needs to make.

In my talks in Paris, as well as in my conversations at Geneva with Ambassadors from a number of countries, I stressed the importance Canada attaches to the successful outcome of these negotiations and urged that all these countries negotiate purposefully to that end.

At the recent Canada-U.S. Ministerial meeting on Trade and Economic Affairs in Washington, we agreed that both countries would give "higher priority" to completion of the Kennedy Round negotiations and would "continue to work closely together in the interests of a successful negotiation."

Trade is vital to our national prosperity. We must give it the highest priority it deserves in our business and national policy decisions. As Minister of Trade and Commerce I am determined to do what is in my power to ensure that our export efforts and commercial policy activities play their full part towards the achievement of our national objectives.

Conclusion

In concluding my remarks when I last had the privilege of meeting with you on February 1st 1965, I indulged in a bit of wishful thinking and expressed the hope that Canadians generally, and Parliament in particular, would turn aside from destructive bickering so that our energies might be devoted to the welfare of our nation. If you will "seasonally adjust" a few words in recognition of the passage of a year, I believe the circumstances of the moment warrant the use of the same conclusion:

"In the field of public affairs, at the Federal level many of the things the Government has done have been imaginative and constructive, but unfortunately they have been masked to some extent by the conduct of Parliament itself where much of the destructive bickering has been related to relatively unimportant matters.

"I have a feeling that the next Session will be better, and that Parliament will again play the high role Canadians have a right to expect of it.

"I say this because I believe there is a new sense of Canadianism and that people everywhere are now more concerned about the roles we as individuals can play in making democracy work so as to develop here in Canada from our bountiful resources greater benefits for an expanding population."

Thanks of this meeting were expressed by Lt. Col. E. A. Royce, E.D.

MARCH 24, 1966

The Lord Mayor Of London

AN ADDRESS BY Sir Ralph Perring, Bt.
CHAIRMAN, JOHN PERRING LIMITED

JOINT MEETING THE EMPIRE CLUB OF CANADA
THE CANADIAN CLUB OF TORONTO

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Reverend Sir, Mr. Gathercole, guests, gentlemen–

The poet Shelley stated early in the last century "Hell is a city much like London–populous and smoky." He was perhaps a bit prejudiced and certainly his views were at marked variance with Samuel Johnson who expressed the view that "He who is tired of London is tired of life for London holds everything that life can afford." Having spent some years in London during the war and worked in the City of London from 1958-1961, I must say I subscribe to the latter view for there is indeed to be found in London everything–or nearly everything at any rate–that life can afford.

When we speak of London today we rarely speak of the City of London, the oldest part of London which comprises only 677 acres–it has been referred to as a square mile but it is not really square but more like a irregular cartwheel with the Bank of England in the centre and the many financial houses and commercial establishments in the area radiating from it. Within half a mile of the old lady of Threadneedle Street there are two hundred banking establishments representing every country in the world including the Chinese and the Russians. Another interesting activity is that of the old market where the official price of gold is determined at ten thirty a.m. each day by the representatives of four firms of bullion brokers and two firms of refiners – the best known is perhaps Rothschild and Sons. The price is, of course, based on buying and selling orders in the hands of the six participating companies since they handle nearly all the gold sales taking place in London. Turning to insurance, the name Lloyd's immediately comes to mind and it is interesting to know that their annual insurance premiums approximate two billion dollars per year. Lloyd's also publishes the oldest daily newspaper in London which began in 1696 – it is known as *Lloyd's News* and was developed by Edward Lloyd to keep his clients informed.

We think of London as a financial centre but we should remember that finance, foreign exchange, insurance and shipping all depend on the actual purchase and sale of commodities and nowhere in the world are there such facilities for these purchases. To mention just a few which are dealt in constantly, we have: rice, sago, tapioca, cloves, pepper and spices, tea, coffee, cocoa, sugar, copra, peanut oil, linseed oil, rubber, turpentine, shellac, furs, wool, sisal, jute, copper, lead, zinc, tin, diamonds and ostrich feathers.

Although London has been a great trading centre since Roman times, it was in the 1600's that it began to achieve its present character. Bargaining in the old days was done in the coffee houses situated along the Thames where the ship captains met the merchants and brokers and one of the most famous coffee houses was known as Garraways where in 1657 the first cups of tea were served in England and later in the seventeenth century the first fur sales were held by the Hudson Bay Company in Garraways. The Hudson Bay Company now, of course, is in Beaver House close by St. Paul's Cathedral but their first home was a coffee house.

Finally, when we think of transport problems for instance, we should remember that only 5,000 people live in the square mile of the City of London at night while half a million crowd into the area to work during the day. Over the centuries the city has learned to accept businessmen from all parts of the world and to give them every facility in establishing themselves in the community. This indicates their complete confidence that city businessmen can compete on their own grounds with all comers and realize too that the constant infusion of new blood and new ideas is a good thing. To conclude the short story of the City of London, of which our distinguished speaker today was Lord Mayor in 1962 and 1963, it must be mentioned that the annual earnings of the City alone have averaged more than half a billion dollars over the years and one writer has stated "Only the invisible earnings of the City of London have enabled Britain as a whole to avoid a constant deficit on current account in the post-war era."

If you will excuse one personal word, I should like to say just how much my family and I appreciated the tremendous help we received from City people during our stay in England. One of the City's highly regarded brokers, assisted by his delightful wife, helped us to find a house. The chairman of one of the oldest acceptance houses found a place for my son in one of England's best public schools – this was typical of the manner in which the City of London receives its colleagues from the Commonwealth.

Our speaker today held, as you know, the high office of Lord Mayor of London and he has consented to give us first some of the impressions of the years during which he bore the ancient and illustrious title. Later, he will proceed with his present concern which is, of course, England's balance of trade with Canada. In his business life he is chairman of the family company, John Perring Limited, which controls a chain of stores in the South of England and it is fitting, therefore, that he should now be Vice-Chairman of the newly formed Committee for Exports to Canada and Chairman of the Consumer Section of this Committee. He is also Chairman of the Steering Committee in London for the British Week in Toronto October, 1967, of which the theme will be "Britain Salutes Canada in its Centennial Year".

Our speaker has been a Magistrate of London for twenty-three years; he first became an Alderman of London in 1951, an Aldermanic Sheriff in 1958, receiving his Knighthood in this same year, and in November, 1962, he became Lord Mayor of London receiving at the conclusion of his year of office a Baronetcy.

Since this is his fourth visit to Toronto, I feel we are welcoming an old friend from the heart of the Commonwealth who, having discharged with distinction his onerous duties as Lord Mayor of London, is now devoting his time and energy to the vital subject of British trade. It is my honour and privilege to present Sir Ralph Perring, Baronet.

SIR RALPH PERRING:

May I thank you for the warm welcome you have extended to me this morning, and for the privilege of speaking to you now.

Your choice of words in referring to me as *former* Lord Mayor of London is appreciated – in London, on coming out of Office one is called "the Late Lord Mayor," and that is liable to misinterpretation.

Before speaking of British/Canadian trade you have asked me to tell you something of my experiences in 1963 as Lord Mayor of London. This civic Office dates back to the year 1190 and I was, in fact, the 635th elected Lord Mayor to hold the Office. To us in London it is the greatest civic Office in the world for the history of London is the history of England itself. The Mayoralty and the City of London Corporation stand for a symbol of civic stability. It stands also for national prestige, for business integrity and honesty of purpose.

The election of Lord Mayor is open to anyone who can achieve it. This is not possible, however, unless one is prepared to serve at least ten years on the Court of Alderman during which time one attends to more than 200 duties a year. The Alderman's most important function during this period is a Magistrate at the Mansion House or Guild Hall Justice Room (in fact, these two courts hear more than 21,000 cases each year).

The duties of Lord Mayor are exacting, stimulating and certainly incessant. I was informed at the conclusion of my Year in 1963 that I had attended 1,400 engagements, including 76 days presiding at the Justice Room. The Year also includes the making of 800 speeches on the widest variety of subjects.

One sometimes feels like the lady who, when asked what she thought of a certain subject replied "How do I know what I think until I hear what I say!"

One develops the philosophy to accept each day as it comes. With up to seven engagements daily one learns never to fret about the responsibility of tomorrow or to worry about the problems of yesterday. Strangely enough with *all* the pressures one never gets tired – one is continually stimulated by the variety of duties that arise day by day.

I have always considered "Exporting" to be of the greatest importance to our national survival and I decided during my Mayoralty to make this my theme of the year from the Procession and Guild Hall Banquet speech. It followed, therefore, that when the City of London closed for the summer recess I came to Canada as the most important area to promote exports. This was based on civic visits to Quebec, Montreal, Toronto, London, Ontario, Ottawa, and then westwards to Vancouver and Victoria. After the conclusion of my Year I was invited to join the newly-formed Committee for Exports to Canada, which now takes up so much of my time on both sides of the Atlantic.

There is a rhyme that runs:

"At meetings attended with effort of will,
You should always contrive to keep perfectly still,
For it takes but one word of annoyance or pity
And, 'WHAM' there you are on another committee!"

I now find myself on at least six separate committees involved in promoting exports to Canada.

You may expect me to give you a forecast of the result of our General Election this month at home – or even of Common Market possibilities. My reputation in London, however, is normally as a "do-er" rather than as Lord Mayor, a "sayer", and certainly not as a "soothsayer", and anyway, my thoughts and mission here in Canada at this moment in time are to assist others to promote greater trading between our two countries – to speak about Britain and British products.

As I have said this is by no means my first trip to your great country for I was here in Toronto as Lord Mayor of London in 1963, three times last year, and I hope to be here quite a lot in the future. By the same token you will continue to see many more British businessmen in Canada and Toronto from now on. We mean business – big business.

We in Britain have been in trade ever since the Romans helped to civilize us – some 2,000 years ago. Our record since then has been fairly impressive. I do not think that even our worst enemies would deny that we Britons have made a useful contribution to world economics and culture.

So much for the past. My concern is with the present and the future and, particularly, with the trading expansion between us. Canadian companies exporting to Britain will be with me from here on. They will, I think, be grateful for the fact that I do not propose to launch into a long grumble about the well-known imbalance of trade between our two countries.

I confine this to the simple statement that the U.K. is Canada's second biggest Export market in the world; that last year you sold us goods to the value of some $1,300 million as against British earnings of $600 million in your market. This, regrettably from our point of view, has been the prevailing pattern since the mid fifties.

The reasons for this imbalance are almost self-evident. More than 70% of what you sell to us consists of raw and semi-processed materials required for British industries. What we sell to you consists, in the main, of capital and consumer goods, for which you can shop around the world. The list, fortunately for us, does include some things which are made either exclusively in Britain or are better value for money than can be obtained anywhere else.

It is our continuing intention to do all we can to reduce our Canadian trade deficit by selling to you more of the things you need and which are, in every respect, competitive with comparable goods from any other country.

I say this as Chairman of the Consumer Section of the recently-formed London Canadian Committee of the British National Export Council, which has been formed precisely for this purpose. We propose, with your co-operation, to organise and facilitate an invasion of your markets, for both industrial and consumer goods, on a greater scale than ever before. This is to be a long-term effort but our immediate target is on 1966 leading to our participation in your own Centennial celebration in 1967.

Canadian politicians and importers might well ask—"Why the devil haven't you done this before?" "Why have you waited until now to begin hard selling in a country which has one of the highest growth rates in the world and will go on expanding?"

This could be answered in a number of ways but I suppose one simple truth is that in the past it has been a British trait to write and speak in terms of understatement—or even of self-denigration—we were taught in the nursery that "Self praise is no recommendation", and this has been often reflected in our selling techniques—they are certainly of little value in the hard business world of the North American Continent and we are at least replacing the "soft sell" with more aggression.

International trade must always be two-way trade, exports and imports–one is essential to the other–the purpose of our renewed efforts is to bring willing buyers and willing sellers together and we believe that with the goodwill prevailing, they will build their own trade.

To this end, massive plans are being made by the British Government and industry for promoting the presentation of British products here in Toronto in 1967.

Our British High Commissioner, Sir Henry Lintott, and Peter Allen, have already publicised some of our activities for the National Industrial Production Show in May, and Sir Henry and I are also speaking at 6 o'clock tonight of the formation of Committees for the promotion of a city-wide "British Week" in Toronto in October 1967.

How is British industry in general shaping up to the improving opportunities for trade with Canada? If the enthusiasm of some of our exporters already in the market is an indication, I should say "very well indeed". Many of them, especially in the capital goods field, have been selling to Canada for a long time. They have no illusions about the special difficulties, including the natural advantages of proximity of the United States, and the country's influence on marketing, packaging and other sales techniques. They are confident that they can compete and "come hell or high water", they intend to go on doing so. In many cases, their success in Canada was won against fierce competition from all quarters and in spite of barriers which put them at a real disadvantage.

What we are doing now–and this is one of the main reasons for my visit–is to bring into the picture many of the smaller firms in all fields, but particulalrly in consumer goods, who, given the necessary know-how, could do equally well. In this instance, the business of my Committee (in collaboration with our colleagues of the B.C.T.A. and with the British Trade Commissions throughout Canada) is to supply that know-how. We are doing this in a number of ways which will, we hope, result in a much clearer knowledge of Canadian needs and how to meet them.

Some of our activities are very down-to-earth. We have, for instance, supported the British Canadian Trade Association in their imaginative scheme for setting up Display Centres in their offices here in Toronto and at Montreal. These Centres are used solely for promoting British imports to Canada. They are let free to firms not so far represented by agents and to those whose agents are members of the B.C.T.A. Other British firms can use them on very favourable terms. This means that representatives of British firms are now coming here – with sample ranges of the things they have to offer – in greater numbers than has been the case in the past. The Centres have already been used more than a dozen times since they were opened last summer and have housed exhibitions of giftware, pottery, carpets, Welsh handicrafts, foodstuffs and other items. The number of applications now in the pipeline from further companies and trade associations is most encouraging.

We have also travelled around Britain speaking to Chambers of Commerce and other organisations, urging them to send selling missions to Canada. The Birmingham Chamber of Commerce and Industry made a very successful foray last October and this year and a whole series of missions (from Scotland, London, Tyneside and elsewhere) are to visit Canada.

For the rest of it, we are producing up-to-the-minute literature about the Canadian market and its opportunities. It is being produced to aid the British exporter and covers every angle of design, presentation and over-the-counter selling. Our chief weapon in this armoury is our handbook *Selling to Canada*, the first print of which (10,000 copies) is now exhausted – a second edition has been prepared. We are also collaborating with the B.C.T.A. and two Canadian publishing firms in the production of up-to-date trade registers and editorial matter on British products.

We are very aware of the fact that Canada must still import more than half of her requirement of investment goods, which account for well over a third of sales to you at the present time. We are conscious also that the high standard of living, which springs naturally from your expanding economy, creates an ever-growing demand for quality consumer goods. Many of these are already being supplied by your own secondary industries. Fine. What we are looking for is an opportunity to fill the gaps. This we will do in fair and open competition.

As for British ability to rise to the occasion, may I in closing remind you that we have an impressive string of "firsts" in all fields of human endeavour. They include, lest we forget, radar, gas-turbines, jetliners–and more recently –vertical take-off aircraft, hovercraft and the first commercial nuclear power station; and also, what some people would regard as a dubious contribution to mankind–television.

We are the world's largest exporter of agricultural tractors, commercial vehicles, woollen textiles, radio-isotopes, vacuum cleaners, washing machines, and many more things, down to cotton yarn and thread.

I believe optimistically that by our own efforts at home, with your help and goodwill, and by means of a more determined and "harder" sell, Britain's trade with Canada is on the upgrade at last. A definition of an optimist is a man who prefers to have a tankard of beer that is half full–to a tankard that is half empty!–and that applies to me. There is much to be done by our Committee for Exports to Canada, in conjunction with our British Trade Commissioners and the B.C.T.A.–but one statistical fact stands out like a beacon light–British exports to Canada for the past eight months, since July 1965, have increased by $70 million over the same eight months of the previous year.

Where can we now take it from here?

Thanks of this meeting were expressed by Mr. George E. Gathercole.

MARCH 31, 1966

National Parole—Its Successes And Its Failures

AN ADDRESS BY J. Alex Edmison, Q.C.
NATIONAL PAROLE BOARD

CHAIRMAN The First Vice-President,
R. Bredin Stapells, Q.C.

MR. STAPELLS:

A century ago the great French writer, Victor Hugo, conceived his memorable romance, *Les Miserables.* The central figure in the book, you may recall, was Jean Valjean. To ease the starving of his sister's family, Valjean stole a loaf of bread. For this he was sentenced to the galleys and due to numerous attempts to escape–his prison term was lengthened to 19 years.

Eventually he is released and, as a beggar, is befriended by a Bishop, who shows great kindness to him. However, Valjean repays the hospitality by stealing the Bishop's prized silver.

When caught by the police, and dragged back to the Bishop, one of the great moments of drama in this novel is reached–the Bishop decleares that the silver was not stolen but a gift. By this one act of understanding, Valjean's entire life was changed–and as the book continues, the Bishop's evaluation of character is vindicated. Victor Hugo's Bishop had found intuitively the best way to deal with this particular offender.

Our speaker today, gentlemen, is J. Alex Edmison, a member of the National Parole Board since its beginning in 1959–and who, for more than 40 years–has been involved in penal work and reform. Like the Bishop in Hugo's novel, his interest is in total and humane justice. Such justice must include the best method to help the convict find his way again, and thus help society too.

A lawyer by profession, formerly an assistant to the Principal of Queen's University, Mr. Edmison was a member of 4-man Fauteux Commission, which for three years, beginning in 1953, probed the probation, parole and clemency system in Canada, and upon whose recommendations the present Parole Board was formed.

During the last war, he served overseas with the Black Watch and in 1945 was appointed by UNRRA as their chief liaison officer to SHAEF. He received citations from Generals de Gaulle and Eisenhower for his work in organizing care for displaced persons, concentration camp survivors, and refugees. In 1960, he received the "Award for Distinguished Humanitarian Service" from the John Howard Society of which he had been Executive Director for Ontario. He is a former president of the Canadian Penal Association and the International Prisoner's Aid Association.

At this moment of Canadian history, when capital punishment is being hotly debated and our system of criminal justice questioned, it is most timely that the Empire Club of Canada should welcome to its rostrum a man of such proven experience. I give you Mr. J. Alex Edmison, Q.C., who will speak on "National Parole–Its Successes and its Failures."

MR. EDMISON:

The Toronto newspapers for 26th November 1912 featured a crime story which has had repercussions until this day. Three youths, aged 18, 17 and 16, had been arrested for several charges of burglary, theft of motor cycles and for shooting at a farmer on the highway near Cooksville, Ontario. One of the three had fired two shots at the farmer for refusing to transport the young thug's motorcycle on his waggon after an accident. The leader of the boys and the one to do the shooting was Norman Ryan. This had not been his first clash with the law. At the age of 13 he had been given a suspended sentence for stealing a bicycle and at 14 he had been sentenced to the boys' industrial school for stealing chickens. He was later, as "Red" Ryan, to achieve criminal immortality in Canada as a robber with violence, a bank hold-up man, and a double prison escapee. In 1935 he was finally given a much-publicized ticket-of-leave, as parole was called in those days. Ten short months thereafter, in 1936, he was killed after murdering a policeman in a holdup of a liquor outlet at Sarnia, Ontario. In 1956, the Fauteux Committee – of which I was a member – in discussing across the country the possible institution of National Parole Board, met not infrequently parole opposition from people who cited the Red Ryan case as a horrible example of parole failure. Although occurring thirty years ago, we still hear about the Ryan case which every now and then is resurrected as an argument against the institution of parole itself. Two years ago when on a speaking tour in Western Canada for the Association of Canadian Clubs, I was several times questioned from the floor concerning it. I am underlining this old case now for comparative reasons. There are still lessons to be learned from it, by prison administrators, by parole authorities, and last but not least, the general public.

The National Parole Board commenced functioning in Ottawa in January 1959. The Chairman is T. George Street, Q.C., former Welland, Ontario, Magistrate. The four other Members at present are Miss Mary Louise Lynch (a lawyer from Saint John, N.B., and sometime counsel for Lord Beaverbrook in Canada); Edouard Dion, Q.C. (former Crown Prosecutor from New Carlisle, Quebec); Georges A. Tremblay (former Regional Parole Director in Montreal) and myself (whose interests had been predominantly in the prison after-care field). It is our responsibility to decide if and when inmates of Canada's federal penitentiaries and provincial prisons should be released on parole. (In Ontario there is also a Provincial Parole Board concerned exclusively with indefinite sentence cases in Ontario's provincial prisons.)

What then is parole? It is simply the process by which a sentence imposed by the court is completed, not inside an institution but in the community outside under supervision. Parole is not, therefore, clemency or leniency. It is a part of the correctional and reformative process. (Parole should not be confused with probation, which releases persons from the court under supervision, but never from an institution.)

Who are eligible for parole, and after what portion of their sentences have been served in the institution? This is a key question, and the answer is: those who have given some positive indication that they have changed their ways, are resolved to stay out of trouble in future, and have a reasonable prospect of so doing. As for the time which must ordinarily be served before parole, the Parole Regulations indicate as follows:

> (1) The portion of the term of imprisonment that an inmate shall ordinarily serve before parole may be granted as follows:
>
> (a) where the sentence of imprisonment is not a sentence . . . for life or . . . of preventive detention, one-third of the term . . . imposed or four years, whichever is the lesser, but in the case of a sentence . . . of two years or more to a federal penal institution, at least nine months.
>
> (b) where the sentence . . . is for life but not a sentence of preventive detention, or a sentence of life imprisonment to which a sentence of death has been commuted, seven years; and

(c) where the sentence is one of life imprisonment to which a sentence of death has been commuted, ten years. (There is now no parole for this class without the approval of the Federal Cabinet.)

(2) Notwithstanding subsection (1), where, in the opinion of the Board special circumstances exist, the Board may grant parole to an inmate before he has served the portion of his sentence of imprisonment required under subsection (1) to have been served before a parole may be granted. (Sec-

How does the National Parole Board know when an inmate is deserving of a parole? This, of course, is our biggest problem. We have a file on each inmate containing reports from a great many sources. We study these reports, and give special attention to change in attitude. Conduct in the institution is necessarily important, as are work habits and use of leisure time. In addition to our sources of information from the institution and the home community, we rely on the regular visits which the field staffs of the Parole Board make to prisons. At these times are interviewed those requesting to see them and also those whom we have selected for special interviews. There are now thirteen Regional Parole Offices across Canada.

What factors do the Board consider when studying parole applications? Perhaps this vital question can best be answered in the posing of several questions we ourselves raise when deciding to reject or grant a parole. Among these are: has the inmate *really* changed or is it a surface change only? Has he or she taken advantage of any of the institutional facilities for self-improvement? If the dossier indicates alcoholism, has inmate recognized this and sought the help of A.A. services if same are available? The human factors involved are broad and numerous. From individual Parole Board files I quote the following extracts which should be indicative of some matters we deem important when deciding on parole:

> He has made just about as complete a change while here as any inmate I have seen during my time here.
>
> Inmate's one big problem is alcohol. He has joined A.A. and seems sincere in trying to conquer his difficulty.
>
> This officer indicates that the inmate is a mature, fairly stable individual in whose life the prison sentence is an isolated incident.
>
> Perhaps the time has come when this man might be considered for parole under close supervision. Certainly continued imprisonment would only produce a negative result in his case.
>
> His release plans – including job and place to reside – are acceptable. He does not appear to present any social or emotional problems and this offence seems to have been an isolated incident, not likely to be repeated. He should adjust well with a minimum type of supervision.
>
> Inmate's general deportment over the past year has shown definite improvement over his earlier conduct. He is evidently endeavouring to control his impulses.
>
> This first offender has been doing exceptionally well in the Vocational Machine Shop and is well regarded by those who have to deal with him. He gives every promise of doing well on release.
>
> Getting along fine in the institution and making some noticeable progress in his attitudes and in his work. Very good relationship with his parents and family. A good risk for parole if he continues to improve in his conduct and attitude.
>
> Inmate seems to have undergone a religious awakening and there is indication that his parents and friends will assist him in his rehabilitation.
>
> During the early years of his prison terms he was

> a disciplinary problem but as he advanced in years he also developed a realization that he must find himself or spend the remainder of his life in prison. He now realizes that it is time for him to make a final effort. His intentions are better than at any time, to my knowledge, and his release under supervision should be considered.
>
> Training in cooking and baking continues with excellent progress. His instructor feels inmate is capable of holding a position of second cook in any logging, mining or military camp. Industry and conduct are excellent.
>
> This man has improved a great deal while here. His attitude is very good now, he blames nobody but himself and has done some honest soul-searching . . . he is very interested in engineering and appears sincere in wanting to learn so that he will have satisfactory employment on release. . . . He received his 4th-Class Engineer's Certificate and should be able to carry out the duties on the outside with no difficulty.
>
> He has more in his favour to successfully returning to normal living than most applicants for parole. He has employment, wife and family, a community of friends plus a relatively long period of law-abiding behaviour behind him.

Since the examples just cited are obviously "positive" in character, can others of a "negative" character be given? Herewith, again from the Parole Board files, are extracts from cases where reform does not appear to have taken place:

> This inmate is a recidivist of long standing and has no trouble in adjusting to prison routines . . . Is not interested in trade training nor in academic study. Registered as non-believer on admission and has no interest whatsoever in religion. Does not correspond with anyone – does not want to be bothered with his

> family any more. Subject knows all the angles–will serve his time with a minimum of effort, will be released and will return to his past pattern of behaviour which will result in future gaol terms. Is not responsive to counselling and with his present attitude and response his successful rehabilitation is considered very doubtful.
>
> Appears to lack any desire to change his past pattern of behaviour–is a "skid row" type and will return to that life on his release. A hopeless case for successful rehabilitation.
>
> Discharge planning or interest is presently non-existent. "As far as the future goes, I am a pretty good thief if I continue living the same life as before."
>
> Is rather a dull, unstable individual who believes everyone is against him and will not accept counselling or advice–seems to feel that he knows all the answers. Expressed a desire to lead a proper life but lacks the proper self-confidence to do so. Has sort of a defeatist attitude and as long as this attitude remains, his successful rehabilitation is very unlikely.
>
> Is not sure whether he can abstain from the use of drugs on his release–states he cannot understand why he goes back to using drugs as he claims he really doesn't like them but can't seem to stay away from them once he is released. It would appear that his only hope for rehabilitation would be if he refrained from the use of drugs.

These excerpts from our files will indicate the importance the Board places on institutional training and conduct. We like to think that the inmates we parole have improved mentally, spiritually and physically over what they were before entering prison. For a long period in Canada's correctional history this would have been a forlorn hope indeed. Let us again look at the case of "Red" Ryan who in 1912 was sentenced to a term of 3½ years in Kingston

Penitentiary for his fracas with the farmer on the highway. What rehabilitation facilities were available to him in that institution during his crucial first time in an adult prison? At that time there was no prison psychiatrist, no psychologist, no classification officer, no educational courses or trade training worth the name. A Special Committee of the Ontario Legislature in 1908 said, concerning the 40 young men (between 17 and 22 years) then in Kingston: ". . . The indiscriminate association of these first offenders and the hardened and dissolute type is a deplorable feature of our present system. To put it mildly, the State is not giving a fair chance to the erring boy when it herds him with those who have decided on pursuing a life of crime. The officials of the Penitentiary in their last report stated that the prospects of these youths being reformed were not more than one in a thousand."

In August 1913 at a time when the young Ryan was still incarcerated in Kingston Penitentiary, a Royal Commission was set up to inquire into, among other things, "such methods as may conduce to the permanent reformation of the convicts." The Chairman was George Miles Macdonnell, K.C., of Kingston, the father of the Honourable J. M. Macdonnell so well known to Torontonians. The Commissioners were extremely critical of all they found there. They criticised the labour policies of the institution. They said,

> "The idea that the prisoners must work at hard labour all the time they are outside their cells, even if the product of their labour is of no value, has been carried to the extreme. It was urged by one of the inspectors, as an excuse for not giving a reasonable period to the education of the illiterate during the day time, that the school would interfere with the labour of the prison. If an hour or two every day were given up to school for some and exercise in the yard for others, less stones would be broken, 'tis true. But some men, whose spirits

> are being crushed, and whose manhood is being debased, might be saved to future good citizenship if a civilizing help in the way of a school or a breath of the open air each day could be introduced to brighten their lives."

They described conditions in the stone-breaking shop:

> "Every feature of that department was bad. The atmosphere was charged with stone dust and there was apparently no adequate provision for carrying it away. The closets, situated at one end of the buildings, were poorly constructed and foul-smelling. Over seventy prisoners, some of whom were boys, were at work in this department when the Commissioners made their visits. They were arranged in rows, facing each other, and the stone to be broken was piled in a long heap between them. As the raw material was reduced to the required size, fresh supplies were wheeled in by tenders from the yard. There was perfect order among the men. Not a word was spoken. But the monotonous raps of the hammers, the sullen, whitened faces of the forms, half crouching over their unhealthy, unprofitable, degrading tasks, were a mute but powerful denunciation of the system that permitted, or rendered necessary, such an outrage. Nothing has been said, nothing can be said, in defence of this twentieth century reproduction of the unceasing toil of the galley-slave."

They deplored the entirely punitive atmosphere of the Penitentiary. Custody and not reform was the motivation. Staff morale was bad, "resulting apparently," they said, "from a system of administration, especially in regard to appointments, political influence, religious antagonisms, and political jealousies." One of the inspectors examined said, "No matter, all were prisoners and there were no differences or classes among the prisoners, they all were criminals and should be treated as such." This inspector evidently had no great appreciation for his fellow man as would appear from his answer to a commissioner's question, "It is idle to say that humanity is divided into two classes and that all the bad men are in prison and all the good fellows are out of it." The inspector answered: "I don't believe that, there are a great many outside who ought to be in!" The more one reads of this Report the more one realizes that the possibility of young prisoners like Ryan being reformed there were almost negligible. It would have been almost impossible for any conscientious parole board to get the necessary co-operation from an institution of that kind or, with any hope of success, to grant any parole therefrom. Fortunately the average Canadian penal institution has immeasurably improved since those days. We still in some sections of Canada have a long way to go yet in the way of progressive and reformative penology. However progress is being continually made and I am quite hopeful for the future.

Why are conditions imposed when a parole is granted? The reasons should be apparent. Most inmates got into trouble through some weakness of character or through misfortune. The rules they followed when previously on "civvy street" were evidently not sufficient to bring them success or happiness. Therefore the ordinary and special conditions in parole certificates have been framed to help the parolee adjust to the community during the period of parole. Most of those applying to the Board have already failed when given "unconditional releases" previously. We desire to help them as much as possible so that their rehabilitation will be more successful this time.

What are typical conditions in a Certificate of Parole?
Obtain permission before changing job or residence;
Obtain permission before leaving the jurisdiction;
Obtain advice before marrying;
Obtain permission before assuming substantial indebtedness;

Endeavour to maintain steady employment;
Support his dependents to best of his ability;
Report accurately his earnings and debts;
Obtain permission to possess firearms;
Avoid use of intoxicants to excess;
Avoid disreputable places and associates;
Keep reasonable hours as defined by parole supervisors;
Obtain permission before buying or operating an automobile;
Submit written reports and keep appointments for interviews as instructed by his parole supervisor;
Comply with all reasonable instructions of his parole supervisor.

In special cases the above rules may be varied or waived. On the other hand, further provisions may be inserted in unusual circumstances. The purpose of these conditions is, of course, to guide the parolee as he serves the balance of his sentence at large in society. In other words, these conditions are illustrative of parole as a transitional step between close confinement in an institution and absolute freedom in society.

In the case of long parole periods, do these conditions continue to apply? No, not if the parolee demonstrates his ability to get along "on his own". Conditions are gradually lessened and in time removed entirely in the cases of proven successful rehabilitation.

Who make parole applications? There are no restrictions. Any inmate can apply in writing through his Custodian who forwards the application to the Parole Board. Relatives, friends, prospective employers, lawyers, and others interested, can at all times write to the Board direct on behalf of inmates. In fact we like to hear from any person who can provide information helpful to our consideration of a parole application. The Parole Act also says:

> 6. (1) The Board shall at the times prescribed by the regulations

(a) review the case of every inmate serving a sentence of imprisonment of two years or more, whether or not an application has been made by or on behalf of the inmate, and
(b) review such cases of inmates serving a sentence of imprisonment of less than two years as are prescribed by the regulations, upon application or on behalf of the inmate.

While there is no specified form for parole applications, it is important to give reasons why parole is believed to be merited and why the inmate is to be considered a reasonable "parole risk".

When is the proper time to make a parole application? This is a question as often asked as it is hard to answer. It should be apparent that evidence of a *real change* in a person must be forthcoming. This obviously cannot happen overnight. That is why parole applications made at the commencement of a sentence are not very realistic. The inmate may tell us that he has "started" a trade course or a correspondence course. We will want to know if he has "stayed with it". Another inmate reports that he was intoxicated when he committed his crime, and he realizes he is an alcoholic and has joined A.A. in the institution. So far, so good – but does he continue with A.A. and really get to know and feel what it stands for? Another applicant who has always had trouble getting along with people says he has "changed now". We hope he has – but we must wait and see how he behaves with his custodians and fellow inmates over a reasonable period of time. Others give lip-service to their reform yet boast of illegal acts that they have "got away with". For such it is evident that they need more time to bring about a change of attitude. Many are sent to prison because of offences arising out of their immaturity. If they continue to demonstrate the same immaturity within the walls it is evident that they are not parole material at present. Others owe their downfall to a disregard for any sort of discipline or authority. Attitudes such as this require a period in which to change. All these observations add up to the conclusion that we would like to run the Parole Board without many hard-and-fast rules. In a real sense it depends on the inmate itself. When is he *ready* to enter again the "game of life" in which hitherto he has been but a bad or indifferent performer? We are prepared to give serious attention to those who demonstrate "readiness" at any sentence stage where a proper evaluation of their worthiness can be made.

What about parole for "lifers" and "habituals" and other long-term prisoners? The answer can be given by pointing to the goodly numbers in each category who *have* been given parole in the past. Many of them have turned out to be quite successful parolees. Because of the nature of their sentences it is usually necessary to make special plans for their civil re-establishment. This the Parole Board is quite prepared to do once we have fairly conclusive evidence that there has been a definite change of outlook combined with a meaningful programme of preparation for the parole period. We do not want even those with the longest sentences to feel that they have nothing to hope for. The records, happily, can tell of some really amazing "comebacks" by persons in this category who decided to "do something" about their lives. The National Parole Board will not be found without understanding in such legitimate cases.

What about drug addicts? It is not true that such are never given parole. There are a number of former drug addicts who are now on parole, or who have successfully completed their parole periods. However, because the recidivist or repeater rate has always been high we must handle these cases with special care. The drug addict parolees who become rehabilitated are invariably those who decide in the institution to "shake the habit" and continue to do so on release by acquiring new work habits and new associates who are not addicts. It is not an easy rehabilitation road but it can be manœuvred by those with enough fortitude and intelligence to attempt it. The Parole Board joins with interested agencies in endeavouring to make some contribution to at least the partial solution of this medico-legal problem.

Once turned down for parole, can a further application be made? By all means. If new factors present themselves the Board is very willing to "take another look" at the case. A family reconciliation, a job offer, or any other favourable happening can be of importance. For instance, if we have had to turn down a parole because the inmate would have no place to go on release, the subsequent offer of suitable accommodation might well bring about a change in the decision. Sometimes new facts come to the Board from the Custodian which persuade us to grant a parole after a previous rejection. New information may also come from the community where the inmate has made his home. Parole Board files will always remain open for anything of significance in favour of an inmate at any time.

Mention has been made of "supervision" of a parolee – who provides it? Most parole certificates will indicate that the parolee will be "under the authority of the National Parole Board Regional Representative" in the area where the parolee is to go. Ordinarily it is also stipulated that the parolee is to "accept the supervision and assistance" of a John Howard, Elizabeth Fry, or other after-care society in his or her home area. This responsibility might also be assumed by the Salvation Army, a clergyman, a provincial welfare probation officer, or by anyone else designated by the Board.

What are some of the duties of the Parole Supervisor and the Regional Representative, and the reasons for some? Supervision is designed to help a parolee make a normal transition from the regimented life of the prison to the freedom of movement and decisions enjoyed by ordinary citizens. Because of the supervision provided, the parolee is not left to face his problems alone. Assistance is provided from outside himself in terms of professional guidance which helps him meet the everyday problems as well as the emergency. What is offered is essentially a case-work service which consists of helping individuals resolve their own problems through the support, guidance, and counselling given. The National Parole Board, therefore, is vitally interested in the type and nature of supervision available to a parolee on release. When a supervisor accepts a parolee we consider him the agent who has undertaken to follow the progress of the parolee and to report thereon regularly to the National Parole Board. Thus the supervisor has a dual responsibility, on the one hand to the parolee and on the other to the Board.

In addition, and within the terms of the Parole Agreement, the parolee may be obligated to accept the supervision and guidance of the Regional Representative. On this level the parolee would be required to report to him as requested, in person or in writing, and to accept his counsel and guidance. The R.R. in turn lends the parolee all the assistance in his power and keeps the Board informed through written reports of a parolee's progress. In most cases, in addition to being under the authority of the R.R., the parolee may be required to accept the supervision of one of the after-care agencies. Whether it be public or private agency, it is staffed invariably by professionally skilled and understanding workers. They have at heart the welfare of their clients and lend their professional skills through counselling and guidance, sometimes through material aid, to help a parolee reach a more satisfactory personal and social adjustment. The more effective helping hand is extended, rather than the sometimes less effective handout. The worker may be someone the inmate has met already in the institution and possibly the worker may have advised the Board that he was prepared to supervise the inmate should he be released on parole. It would seem to be a more useful arrangement where the parolee is released to someone he knows. The parolee is expected to keep in touch regularly with his supervisor, to report to him as required, and to accept his counsel and guidance. To refuse to do so merits appropriate penalties even to the extent of having to return the parolee to prison. The supervisor with his dual responsibility to the parolee and to the Board provides services to the parolee without charge and reports regularly in writing to the Board on the parolee's progress.

These are but the bare mechanics of what can be a warm and understanding relationship, aimed toward restoring the parolee to society as a useful and law-abiding citizen. There are limits to personnel and resources but much can be accomplished if the parolee willingly accepts supervision and uses the services provided. We find that the relationship with the after-care workers often continues after the expiration of the parole period.

What happens when a parolee violates parole conditions? Despite what some critics may say, it is not the Parole Board's intention to send a man back to gaol for every trivial offence. An inmate is awarded parole because the Board believes that he will behave like an average law-abiding citizen. If he does not do so, the Parole Board has the authority to ensure that the public is protected, and this is done in the following ways:

Suspend parole – the Board may suspend any parole when it is indicated that the arrest of the parolee is necessary in order to prevent a breach of any parole condition. For example, a person may have been refused permission to change his residence and is found packing his belongings and has made plans to leave town. When a parole is suspended, the Board – after a review of the case – will either revoke or continue the parole.

Revoke parole – a parole may be revoked for a breach of any condition of that parole. For example an alcoholic parolee who violates the condition to abstain may have his parole revoked. Or again, a parole may be revoked after a person has neglected his family responsibilities or leaves his job without valid reason.

Forfeiture of parole–There is an automatic forfeiture of parole following conviction for an indictable offence,

(a) committed after the grant of parole, and

(b) punishable by imprisonment for a term of two years or more.

What is the record of the National Parole Board to date? Since *January 1959*, when we commenced operations, there have been granted approximately *14,700* paroles. Of this number, approximately *1,550* have had to be revoked for one reason or another. The failure rate, therefore, is not much over *10%*. While this could be considered a fairly commendable record, we realize we have made errors. We have obviously let some people "out" who did not deserve parole, and on the other hand, we undoubtedly have kept others "in" who might have done well "outside" on parole. All this makes the Board most anxious that research be conducted into all phases of the parole operation. Why do some parolees fail and others succeed? The Centre of Criminology at the University of Toronto may tell us much in a contemplated survey. It would, for instance, also be useful to ascertain the collective annual earnings of our parolees. We know that the Pennsylvania Board of Parole, which yearly handles about the same number of cases as we do, reported recently that their parolees had earned $6,683,000 in the previous calendar year. On this, $674,700 was paid in income tax. Further, considering the great difference in cost between keeping a person in prison and having him out on parole–earning–his family off relief–the savings to Canada through a sound parole policy are substantial indeed. This we think the public should realize, perhaps more thoroughly than it does.

In striving to arrive at a sound parole policy, our Board is ever ready to experiment. We have been doing this in some drug addict cases in British Columbia, and also in selected Doukhobor cases in the same Province, with reasonable successes in each category. We have been giving *"Temporary Paroles"* to institutions like Haney in B.C. and to the

Prison for Women in Kingston, whereby inmates are allowed to take jobs or training courses in the community, returning to the prison at night. *"Gradual Release"* is another formula which has been described as a procedure designed to assist particularly the long-term prisoner in his or her progressive adjustment to community life. Under this method the inmate to be released is allowed to leave the prison daily and sometimes overnight, during a period extending from one week to as much as three months, just prior to final release on parole or at the expiration of sentence. *"Minimum Parole"* is a widespread experiment whereby certain penitentiary inmates who have not achieved ordinary parole, are allowed out with suitable supervision before sentence expiry, allowing one month for each year of sentence to a maximum of six months. Those who accept "minimum parole" are placing in jeopardy all their remission time earned in the institution. (For instance an inmate receiving "minimum parole" two months before expiry of his two-year sentence would be under control in the community for eight months. Reasonable success is being had with this type of parole. The results herein will be weighed carefully if and when future consideration is given to a *"Statutory Parole"* which would mean that nearly all inmates would obtain their release under the assurance of supervision and help. This is a successful procedure in some of the American States. It affords additional assistance to the prison dischargee and increased protection to society. And this, assuredly, is what every parole system must provide.

Are there many parole success stories? Yes, there are a great many – and the number is increasing. The "successes" not being as newsworthy as a "Red" Ryan failure, are not so well known. Men and women have emerged from prison, have co-operated well with groups and individuals seeking to help them, and have never since had any trouble with the law. Some have actually risen to places of more than average prominence in business and industry; others have gone on to graduate from universities and professional schools. Many are skilled workers in the construction and mechanical trades. In final reports we note a rather high percentage of evidently satisfactory domestic relations. There is no need to over-dramatize. The records give ample evidence that persons who have had some rough reversals in life can "come back" and be useful members of society. The National Parole Board hopes to assist in many more of these "success stories" in the years ahead. To do so we will need the continued support and undertanding of the informed public of Canada.

Thanks of this meeting were expressed by Rt. Rev. E. M. Howse.

APRIL 14, 1966

A New Look At Foreign Aid

AN ADDRESS BY **Hon. S. J. Randall**
MINISTER OF ECONOMICS AND DEVELOPMENT
PROVINCE OF ONTARIO

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Jackson, Reverend Sir, honoured guests, gentlemen–

A number of interesting things happened today–first, the hotel raised the price of the tickets by thirty cents, or roughly 10%, which no doubt reflects the 2% increase in sales tax recently arranged by the Government of which our speaker today is a distinguished member; second, to the horror and astonishment of every member of the Club, the pianist played "The Road to the Isles" when the head table was entering instead of the traditional "Land of Hope and Glory"–any suggestion that the Empire Club feels that hope and glory have departed from Britain with the advent of the Labour Party is entirely erroneous and I wish to set the records straight!

Our speaker today is responsible for the Department of Economics and Development. Economics is, of course, our old friend, political economy, and Stanley Jevins, in his theory of political economy, says "The theory is entirely based on a calculus of pleasure and pain and the object of economics is to maximize happiness by purchasing pleasure, as it were, at the lowest cost of pain." According to pure economy, any price and any wage is just if it has been determined by the interplay of supply and demand under conditions of unrestricted competition; Adam Smith, whose work *An Enquiry into the Nature and Causes of the Wealth of Nations*, produced the most influential argument ever formulated for unimpeded trade neither hampered nor coddled by Government–written in 1776, it shows how the apparent chaos of competition, the whole business of buying and selling resolves into an orderly system of economic co-operation by means of which under individual freedom in contrast with central or government direction, the communities' wants are supplied and its wealth increased. Indeed, our system of competition and free enterprise has never been better explained and the success of our system–which is now, of course, a blend of private enterprise and Government regulations–speaks for itself. When we observe the difficulties encountered by the Communist countries and their gradual return to the profit motive, we realize that, despite its present imperfections, the economic system existing in Ontario today has achieved a very great deal. No one suggests that it is perfect and indeed some highly vocal segments of our society–strangely enough the most highly protected and subsidized of all–are far from satisfied with their lot. Nevertheless, in this Province of Ontario, which produces so much of the nation's goods and pays so much of the nation's taxes, the system under which we live and work continues to provide our people with the highest standards of living in Canada and the climate created by our Government and specifically by the Department of Economics and Development makes Ontario the natural and logical choice when new industries are considering Canada as a field for expansion.

The word economy comes from two greek roots referring to the management of a household or estate. The household or estate for which our speaker today is responsible is this great province. Ontario has been described as the heart of Canada and while in some of our bleaker and more discouraged moments, we may be tempted to consider the wretched prospect of a Canada without Quebec or even a Canada without that brash and beautiful Province of British Columbia, it is quite impossible for anyone to imagine Canada without Ontario, loyal to the traditions of the past which her sons have defended on many battlefields yet ever ready to welcome and care for the stranger from abroad, the record of this province in the post-war era is one of which we can all be proud. Ontario House in London, England, is as well known as Canada House and your Agent General, Jim Armstrong, and his charming wife have a contribution to Ontario and to Canada generally which is quite outstanding by any standards.

However, while we may be proud of the past and particularly our post-war achievements, Ontario cannot rest on her laurels and in our speaker today we have a man superbly equipped to see that her position is further enhanced in the years to come. Born in Toronto and educated here, our speaker came up through the ranks of industry until in 1958 he became President and General Manager of General Steelwares Limited. In 1963 he resigned as President of General Steelwares and Chairman of the Council to accept the Progressive Conservative nomination for Don Mills. During his business career he was active in the Canadian Manufacturers Association and had indeed been Vice-Chairman of that Body. He had served as a Member of the Advisory Council of the Export Credits Insurance Corporation, Ottawa. No one could have been better prepared and equipped for the important portfolio which he assumed on entering the Government and the results speak for themselves. Under his guidance in the past few years, his Department has helped to bring to Ontario 341 new branch plants and 218 new manufacturing arrangements, has exhibited products at 14 international fairs and brought to Ontario over 185 incoming buyers and agents, his sales missions abroad brought back over $1,000,000 in export orders. The assistance of small business, the provisions of additional housing units and, last of all, the $100,000,000 Sheridan Park Research Community are merely some of the things for which our speaker's Department must care. The search for skilled immigrants continues and due in part to the farsighted policy put into effect immediately after the war, 50% of Canada's immigrants still come to Ontario. Finally, Ontario's Pavilion at Expo '67–another responsibility of our speaker–is on schedule and will rank among the largest and most tastefully designed of the 130 pavilions which will make up the Exposition.

Gentlemen–a native of Toronto, a highly-successful business executive and now a public servant, combining experience, drive and vision, it my privilege to present to you the Honourable Stanley Randall, Minister of Economics and Development of the Province of Ontario.

MR. RANDALL:

It is always a pleasure to be invited to speak to the Empire Club. And it is a particular pleasure today, because it is the Easter season.

In our hectic society, we rarely have enough time to reflect on life's overall purpose and mankind's goals. It is only at a season such as Easter that we pause momentarily and lift our eyes from the ledger.

Now in case you are worried, I do not propose today to bring you a sermon from the mount. But I do intend to speak on a topic of great interest in which concern for *our fellow man* is *dominant*.

Canada spends about $400 million on foreign aid each year. And each year the question is asked:

"Are we getting our money's worth?"

I don't mean in terms of monetary benefits to us as Canadians, but in terms of human betterment for those we want to help.

Those who cry, "Canada first" and "Charity begins at home," never come to grips with either the reason or true purpose of foreign aid. Are we getting our money's worth? Why do we give away 400 million dollars? Does it do any good? Should it be more? Should it be less? Just what is the objective?

Let me clarify these points by citing some recent events we are all familiar with.

When you total all the aid given by the "haves" to the "have-nots" . . . multiply it by the years given . . . and examine the results – you get some answers to many of these questions I have posed.

Eleven of the so-called emerging nations have undergone political upheavals in the past two years. Revolution and civil war appear a constant way of life. Revolutions and wars take money – lots of money. Should we not ask ourselves:

"Is our money being used to further political unrest and to purchase arms for aggression?"

Is our money used to build the leaders' palaces and fatten their bank accounts? If so, why should I, the farmer from Renfrew, the labourer from Toronto, pay for this?

I submit that these are indeed valid questions and should be answered. They must be answered, if Canada is to gain the confidence and respect of people . . . people who tomorrow will become consumers of the goods and services we produce in such abundance.

Today, we're preparing to put a man on the moon. Surely, we can direct as much foresight to our foreign aid.

Problems of great magnitude exist, but I maintain they are not insurmountable.

I believe that Canada, because of its unique qualities, can lead the way toward a constructive development programme for the developing nations.

Why Canada?

Not too many Canadians realize that Canada ranks among the world's industrial giants. We are a leader in exporting agricultural produce and raw materials. In each of the past two years, we have passed the $1 billion mark in exports of manufactured goods – a figure thought impossible only a few short years ago. And now, we are well on our way toward two billion dollars in annual manufactured exports.

Gentlemen, we are in the big league of industrialized nations. We have the know-how and the economic strength to compete with the United States and the game they excell at – manufacturing.

Our Auto Pact should certainly convince us of our ability. Think back eight months to the headlines that read: "Auto Pact may cripple us." Compare these with today's headlines: "Automotive exports double." And in 1965 alone, the automotive agreement accounted for 13,000 new jobs and $150 million of increased investment in Ontario.

Ontario's Booming!

Look at the economic development in Ontario alone in the past five years.

Currently, Ontario is undergoing a record growth rate – our G.P.P. is over $20 billion. And by 1970, the total value of Ontario's goods and services should reach $30 billion.

Ontario has 34% of Canada's population – almost 6,800,000 people. Expected to hit 7,600,000 by 1970.

In 1965, Ontario accounted for 42% of all wages and salaries paid in Canada. Ontario's personal income was estimated at $15 billion. This means Ontario now has a per capita earned personal income 33% higher than the average for the other nine provinces.

In recent months, the unemployment level in Ontario has been around 2% – lowest since 1953.

In 1965, retail sales in Ontario were over $8 billion.

To repeat, in 1964 and 1965, Canada's secondary manufactured exports were over $1 billion each year. In these two years, Canada's manufactured exports rose by 67% –

reaching two thirds of Canada's goal for 1970, as outlined by the Economic Council of Canada.

In the past five years, Ontario's non-durable manufacturing goods have risen 34.8%. In the same period, total durables have gone up 75.4%. Ontario's total manufacturing during the same period was up 54.9%.

We're proud of our progress. But to continue to prosper, we cannot take prosperity for granted. Nor can we assume Canadians are God's chosen people . . . and that the world is obliged to beat a path to our door. Despite our fast successes, there is no room for complacency.

You probably read in the paper recently that a United Kingdom survey proved Canada to be the most affluent nation in the world . . . measured in terms of central heating, refrigerators, cars, telephones, washing machines, television sets. Canada led the world. And per capita, we in Ontario have more than anybody else in the world, including the U.S.A.

That's why I think it is pertinent Ontario should urge a new look at foreign aid . . . and encourage the rest of Canada to take a look at this new look.

Canada's Favourable Image Abroad

We have the three M's: Money . . . Manpower . . . Manufacturing. These are essential in any foreign undertaking.

But more important is Canada's image abroad.

Today, Canada enjoys an image of bountiful resources; democratic, hard-working people; industrial skills; and a willingness to co-operate and share. Canada has made very few, if any, enemies. Canada is welcomed around the globe.

We must exploit this favourable image–this goodwill and acceptance–to the advantage of everyone.

When people in emerging nations think of Canada, they think of Utopia. And you have only to step into their world to realize the admiration they hold for our standard of living.

We cannot leave these people to adopt other ideologies – ideologies of suspicion and mistrust. If we continue to neglect these people, we do so at our peril.

Our mutual aid should help build strong, free societies, which are nurtured until they can stand on their own. Currently, we give dollars and technical aid and wrap them up with good intentions. This is not the kind of package that will do the job.

Of course, there is an ulterior motive behind my proposition. Call it enlightened self-interest, if you will.

Canada can progress only through increased exports. To date, we have concentrated our export business mainly in three countries: United States, Great Britain and Japan. Some 74% of our exports go to these three countries – 56.8% to the U.S.A.; 13.8% to Great Britain; and 3.7% to Japan. We have been confined mainly to our domestic markets . . . and to those countries that can afford to purchase our manufactured goods or raw materials. In turn, these countries have to fabricate and ship finished goods back to us if they are to earn sufficient dollars to trade with us. This is one reason why Canada today ranks among the greatest importers of manufactured goods. Another reason: our high growth rate and high employment rate have meant a high growth rate of demand for imports. This calls for a higher growth rate of exports.

The U.S.A. is the toughest and most competitive market to sell to. But we *can* sell them . . . we *have to* sell them . . . and *are* selling them.

The U.K. is wide open for Canadians to exploit, as I know from personal experience. But the U.K. is plagued with internal and balance of payment problems that call for restrictive measures from time to time.

Japan is one of our best customers of raw materials and food products. But owing to its highly developed industrial economy, it has to sell increasing amounts of manufactured goods to us.

Money Can Buy Poverty!

I've briefly outlined some of the opportunities and problems facing Canada's export future.

And by exporting to developing nations . . . helping them to develop themselves . . . we make new friends. By creating consumers, vast, untapped markets are opened. By opening new markets, our exports (agricultural products, raw materials, and manufactured goods) will flourish. I sincerely believe it is as simple as that.

Since we have not been successful to date in helping these developing nations with our present methods of foreign aid, it is time we asked *why*?

It is time we found the right answer.

Money alone is not the answer to those complicated problems of human relations.

It has been said: "One thing money cannot buy—*poverty*!"

My friends, I have visited countries in many parts of the world, where our foreign-aid money is buying poverty. Why? Because it is placed in the hands of those who spend it foolishly to build monuments . . . monuments to their vanities and colossal stupidity.

And while this is happening, the gulf of poverty grows wider between the masses who are in need and leaders who pursue greed. This is the old story of how money buys and perpetuates poverty.

I believe the following proposal is a practical method of channelling foreign aid dollars.

The Ghana Technical School, put up by the Canadians, cost $3 million. It turns out students with little or no opportunity to use their hard-earned knowledge in their own country. In discussing the matter with Mr. Nkrumah, the Prime Minister now deposed, he talked very glibly about the schools, hospitals, universities, the ball stadiums, and boulevards, but not about secondary industry to provide operating revenues.

The First Step

The foreign aid formula I will outline would create the economic base necessary to sustain all requirements of a modern society. Without the base we cannot hope to succeed.

(1) Canada would agree to build, equip, and tool-up new plants; design the product, supply staff, provide engineering and research and development programmes; supply marketing procedures, accounting and management know-how.

(2) Canadian content requirement is not necessarily the first requisite. We should use local labour, material, and equipment if available. If it's not available, we could export it to them from Canada on a competitive basis. The initial return to Canada would be:

(a) a profit on our goods, services, or labour, or–

(b) a management fee as the prime contractor.

(3) The end result is to provide the most modern facilities and to produce the highest quality products for the lowest possible cost. These plants must employ the least number of people, so they can not only compete against imports in their own domestic market, but participate in exports to earn foreign dollars.

Many of these nations have existed for centuries and will continue to do so. Their political philosophy most of the time is based on expediency. But though the people go on forever, the political climate changes like the weather. And a prime example of weathering the storm is the precarious but profitable career of the Brazilian Light and Power Company–a Canadian enterprise that is living proof that a soundly based Company making a worthy contribution to society can survive political change.

What I propose is to invest our foreign aid dollars in needy developing countries through the direction and management of private enterprise . . . not from politician to politician or government agency to government agency.

"The Ontario Plan"

Let me simplify what I would like to term "The Ontario Plan" for long term industrial development in underdeveloped foreign markets.

(a) Assuming 50% of our contribution to foreign aid is cash, it should be offered as an investment objective to Canadian businessmen who will produce a complete facility or package plant in any designated foreign area.

(b) To build a facility or package plant, the receiving country would have to provide guaranteed Government bonds or debentures, at a rate of interest in keeping with the risk involved.

(c) Special agreements would also be made for payments of technological and management fees, mutually agreed upon on an annual basis with the participating company. This would assure continuity of sound management and the opportunity for the new venture to keep abreast of new research and development for future growth.

(d) When bonds or debentures are received in payment (to be redeemed over 20 to 35 years, if found necessary), they would be lodged for cash with a consortium of banks and guaranteed by the Federal Government. Even if defaulted, they would be covered by a guarantee similar to those given by the Ontario Development Corporation . . . requiring no substantial sums set aside for contingencies. In this instance, Federal Government guarantees would be provided by the original amount already consigned to be spent as foreign aid. Should the country default any one year, owing to political or economic change, then the foreign aid dollars originally designated are utilized to meet the defaulting country's obligation–or a Crown Company called "Foreign Aid Incorporated" could act as banker or underwriter for the indebtedness. And foreign aid dollars allotted each year would become the working capital funds for Canadian industry to exploit for the purposes outlined.

(e) Should a country default, this immediately serves notice on all suppliers and creditors that adverse political or economic change is taking place. And until the delinquent country has corrected its position, few countries, if any, would extend further credit. Today, many developing countries jump one foreign aid programme to another by running up whichever flag will lure the prize. The end result is a financial sinkhole with no bottom.

(f) This plan would be welcomed by all Government people I have discussed it with is many countries. They have tried it the other way . . . most of the time, with disastrous results. "The Ontario Plan" is at least practical and workable.

What It Would Do – For them

In summary: what the plan could do:

(a) Invest foreign aid dollars soundly and efficiently.

(b) Serve the people rather than create police states.

(c) Develop skills and know-how to produce products for profit in these developing countries.

(d) Remove the stigma of financial handouts and let the recipients participate in the growth and investment in their own industries.

(e) Separate the political despots from patriotic men who want to pay their way and earn the respect of other nations for their integrity and industry.

(f) Create the most important ingredient for stabilizing a developing economy by producing wage earners who can buy goods and pay taxes to support, as we do in Canada, the needs of their people, without selling out their sovereignty to secure foreign aid at any cost.

What It Would Do – For Us

As Canadians, what do we gain through the plan?

(i) We make a more worthy contribution with tangible results to our fellow men.

(ii) We build, through this effort, respect and confidence with the people of many nations who today are suspicious and fearful of our good intentions.

(iii) We create consumers for tomorrow. By shipping capital goods and services today, we increase our standard of living.

(iv) We take full advantage of the wonderful image Canadians now enjoy – an image that was never brighter.

In very real terms, we do not have an alternative. Our present haphazard approach is not working and has cost billions of dollars.

Conclusion

In closing, may I emphasize that the good will held towards Canada in many foreign countries has been created primarily because we are the most affluent nation in the world and have no colonial ambitions.

And, rightly or wrongly, many of these people feel we have secured our independence, first, from the British . . . and second, from the Americans.

They feel this way and would like to emulate our success and independence. In my travels, I have been told time and time again: "*We want to be just like you.*"

We can visit and work in these countries without their citizens' having any suspicion of ulterior motives. They know we aren't there for anything but business.

And by helping economic development abroad – creating jobs and raising living standards – we become an even better liked and beneficial ambassador. *This is the thing that is hardest to achieve*!

Remember: those who have received the greatest material blessings from Great Britain and the United States are now "anti" in their attitude.

I believe if we move forward with our foreign aid channelled through business – backed by technological and administrative advice – the opportunities for Canada and emerging nations are unlimited. *I know it. I feel it. I see it* – every time I travel.

In my business life, I learned long ago I was my brother's keeper. And in my political life, this belief has been confirmed again and again. Today we cannot–even if we wish to–live life unto ourselves. This is the jet age. The world sits on our doorstep. The globe has become a neighbourhood.

People of all races, colours, and creeds, in the countries I have visited, ask me why doesn't Canada join us in our efforts to live like Canadians? They ask me in effect:

"Why do you not take advantage of the trust, respect, and good will your image has created?

Why not, indeed?

We will be successful only *when all Canadians . . . at all levels of business and Government . . . realize the full value of Canada's image abroad today.*

And that, gentlemen, has been my Easter message to you. A message that I hope will encourage a new look at Canada's foreign aid programme . . . a programme to help us spend our dollars more wisely in the interests of the people we want to help, because these people could become our consumers of tomorrow.

By creating consumers, we raise the living standards of all people to new heights.

It is a challenge of great magnitude. But answering the challenge will bring unlimited benefits, if we pursue our major objective–*helping others to help themselves*!

Thanks of this meeting were expressed by Major A. J. Langley

APRIL 21, 1966

Myths And Mysteries Of Bay Street

AN ADDRESS BY Lt. General H. D. Graham
C.B.E., D.S.O. AND BAR, E.D., Q.C.
PRESIDENT, THE TORONTO STOCK EXCHANGE

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

Mr. Dean, honoured guests, madam and gentlemen –

In 458 B.C. a retired Roman general named Lucius Quintius Cincinnatus left his small farm to save Rome from the barbarians and in 1961, our present speaker – a retired general – was appointed President of the Toronto Stock Exchange. Any similarity in the two cases is, of course, entirely coincidental – I hope – and I should like to say at once I have the highest regard for the stockbroking fraternity and indeed some of my best friends are stockbrokers. However, there is the story – which many of you have, of course, heard – of the sweet young thing at a cocktail party who asked a grizzled old mining promoter what mining stock she should buy to which the promoter replied in astonishment "Did you say a mining stock?" – "My dear girl, nobody buys mining stocks – you just print them and sell them." May I say at once that the incident itself is undoubtedly fictitious and the views expressed are neither those of the writer nor of the Empire Club of Canada. No doubt, however, our distinguished guest today will have something further to say on this.

In 1916, our speaker enlisted as a private soldier in the Canadian infantry. By the end of 1916, 385,000 Canadians had volunteered to fight and in one day, in 1916, the British forces on the Somme suffered 60,000 casualties. We sometimes forget that Canada, with a population of barely 8,000,000 at that time, mobilized 630,000 men and of the 425,000 that went overseas, almost 60% were casualties before the war ended. As always, the infantry, "The Queen of Battles", suffered most and I am quite sure that in the distinguished record of our speaker today, nothing gives him greater pride than the fact that he was a private and then a non-commissioned officer in the Canadian infantry in World War I.

On the return of our speaker from the armed forces in 1919, he attended Osgoode Hall, graduating with honours in 1922. From 1922 until 1939, he practised law in Trenton and Belleville; he became a Queen's Counsel in 1932 and after six years as a town Councillor in Trenton, he was elected to the Office of Mayor. Despite his many other duties and responsibilities, he was one of that dedicated group of officers who held the militia together between the wars. As many of you will recall, this was not a particularly easy time–we were called Saturday night soldiers and often a good deal worse. There was no money for anything, of course, and our regular army was minute in size and always under strength. Nevertheless, the schools and camps went on, for what the regulars lacked in numbers they made up in quality and I am sure that we of the militia will never forget the patience and tolerance of such brilliant professionals as Guy Simonds and Sparky Sparling who guided our faltering steps in those days. As a subaltern in 1934, I remember wakening a hard-worked Captain of Lord Strathcona's Horse one Sunday morning at a pretty early hour–I think it was six o'clock–after what had been a hard night for both of us and asking him if he would please give me some special instruction in map reading. As he got out of bed, he regarded me without too much enthusiasm and said "You have a lot to learn but by God you're keen." This pretty well sums up the relationship between the regulars and the militia in those days. We were keen and they were dedicated, tolerant and first class in every way. I can only hope that in this more sophisticated period, the same excellent comradeship will continue to exist between our much larger regular army and our long-suffering, depleted militia. No country in the world has received greater return on any investment than Canada has received from her niggardly investment in her reserve army. In World War I and II the regimental officers and N.C.O.'s came from the reserve and in the Korean War the entire brigade was based on the reserve army, with a reserve officer commanding it. As free men in a democracy such as ours, we have a great many things for which to be thankful and there are many ways in which we can make a contribution to our society; I submit, however, that no group of citizens makes a greater contribution than the officers and men of our militia forces. I cannot subscribe to the theory that they will not be needed in the future as they have been in the past. Nuclear warfare is so terrible that nations will shrink from it and unfortunately the alternative may well be conventional wars requiring men in the future as they have in the past.

Our speaker was mobilized in 1939 as a Major, Second-in-Command of the Hastings and Prince Edward Regiment, the famous "Hasty P's". He went overseas in the same year and served in North-west Europe, Italy and Sicily. He commanded his regiment and later commanded the First Canadian Infantry Brigade in the invasion of Italy.

He returned to Canada in 1944 as Brigadier and remained in the army for the next fourteen years, retiring with the rank of Lieutenant-General after three years as Chief of the General Staff. No greater tribute could be paid a militia soldier and no greater tribute could be paid the militia as a whole than the selection of one of its officers to fill the highest post that the peace-time army offers. There is an old saying that in time of war the army is always right and in time of peace it is always wrong and I have no doubt that our distinguished speaker today probably found his three years in Ottawa a good deal more frustrating than his wartime years in action – however, he may well be thankful from time to time that he is not there now!

In 1959, our speaker organized the Queen's tour of Canada and acted as Her Canadian Secretary. After performing this pleasant duty, he returned to the practice of law with McCarthy and McCarthy and then, in 1961, he was appointed President of the Toronto Stock Exchange. Whether the Stock Exchange knew it or not at the time, they did themselves a great service when they made this appointment – no one in Canada enjoys a higher reputation in so many fields and no one could bring greater integrity and ability to this most demanding post.

In addition, despite his many other responsibilities, he is National President of the Boy Scouts of Canada, Governor of the Canadian Corps of Commissionaires, Honorary Governor of the Canadian Association for Retarded Children and a Member of the National Council of the Duke of Edinburgh's Award in Canada.

It is my great honour to present General Howard D. Graham, Commander of the British Empire, Holder of the Distinguished Service Order and Bar, the American Legion of Merit, the French Croix de Guerre and Legion of Honour, learned in the law, one of Canada's bravest and most brilliant soldiers and the President of the Toronto Stock Exchange – truly a man for all seasons – a man whose natural modesty is entirely unjustified by the magnitude of his achievements. Gentlemen – General Graham.

GENERAL GRAHAM:

Mr. Chairman and gentlemen, I am overwhelmed, your introduction was wonderful. I didn't realize I might be on film or television. I perhaps would have switched the subject of my address to this hour would seem like seven days.

I am very glad the Chairman did recover himself and say the reference to the Barbarians and the Toronto Stock Exchange was purely coincidental. Some members of the Stock Exchange in attendance here today looked to me as if they were scarcely breathing.

I would like to say I appreciate very much, Mr. Chairman, your inviting my very dear friend Dean Gilling to come here today and bless the food, because as some of you may know Dean Gilling was my Padre when I commanded the Hastings and Prince Edward regiment, and the result of my influence on the Padre I am afraid was demonstrated by the appropriateness and the conciseness of his blessing. I have been enjoying his influence on me during the years ever since our association.

When the President of the Empire Club called me and asked me to speak, I said I didn't think I had anything of any particular interest to say, but he insisted I did, and subsequently I found out this is the last meeting of the Empire Club and I can quite understand you must be near scraping the bottom of the barrel. When I am asked to speak I, of course, wonder what would be interesting. Invariably when I would speak to such and such a group, they say what kind of stocks should you buy or tell us what you think the market is going to do. I would be a very presumptuous person if I tried to tell you what the market will do if the experts, brokers and panelists are not too good at it. I am going to make this statement without fear of apology, if you buy common stocks in a good and well-managed stable company whether they be natural resources, or primary or secondary industry, I would think in the course of the next few years the values will go up. If I were asked whether it is wise to buy common stocks I would unquestionably say yes, because every time I read the newspapers it seems to me I am reading very frequently about the increase in wages, and I worry that I might live too long, and all the money I have tried to save over these past 60 years of hard labour will not be worth very much. I think this is something a good many people in the community don't realize. Of course, one way of hedging against inflation and to maintain to some reasonable degree the value of the dollar is to buy equities, because as prices are inflated it is certain the equities will go up to some degree.

Now, since I am not too well qualified to speak on what is going to happen on the market and on what stocks to buy, I thought I would like to talk to you about the Toronto Stock Exchange. I am delighted to see a good representation of the Press here today. The Press in Toronto have always served the community well. Of course, some of us who are close to the scene of action have had some criticism levelled at us, but I know we got good, fair treatment.

I am reminded a little bit about the story of Lord Percy who went to visit the mental hospital. The superintendent who was showing him around said to him, "One of the patients here thinks he is God, the next man is the chap I was telling you about who thinks he is God." When they met, Lord Percy said to the patient, "There is something I always wondered about, how was the world created, was it done in seven days or did it take millions of years, how was it accomplished." The patient put his hand on his shoulder and said, "My dear Lord Percy we have such little time together, let's not talk shop."

In spite of that I am going to talk shop, and some of the things I am going to say are old hat. There are 113 seats on the Toronto Stock Exchange, and each of the seat holders is entitled to have five traders on the floor of the Stock Exchange. In other words, there would be if you had a full complement of traders, 565 traders on the floor. Obviously there are not that many at any time, there are usually between 300 and 400 depending on the volume of business to be done. Incidentally the title of my address, I deliberately put it down because I thought the Chairman wore false teeth and he would have a problem. I notice he didn't try to announce it.

The Toronto Stock Exchange is a non-profit organization, believe it or not, and each year at the end of the year if we find we are in the red too much we assess the members for enough money to pay the bills. Every transaction on the Stock Exchange has a little ticket as you know, and for each ticket the Stock Exchange charges 12½ cents, so that a broker if he does a great volume of business it will cost him more than the broker with less business. This is the largest source of revenue for the Stock Exchange. The second source is from the companies that list their shares on the Exchange. When a company lists its shares it is charged a fee depending on the capital of the company. A company with a very high capitalization can pay as much as $15,000.00, which is the highest, and a smaller company can pay as low as $2,000.00. Once that fee is paid there is no other charge except a small sustaining charge of $100.00 a year charged to the companies. This is the second source. The third source is through the members themselves. When we find at the end of the year how much is needed to balance the cost of operating the Exchange.

Another important point which is of public interest, is that the Stock Exchange has very rigid requirements with regard to capital as far as its members are concerned. Every member of the Stock Exchange must have what we call net free capital, and the amount is based on the amount of business he does. When his business goes up he has to increase it, and when it goes down its the reverse. This net free capital must be exclusive of the value of the Seat, and the value of the Seat is quite large. In the last three years some seats sold for $65,000.00 and as high as $105,000.00 recently.

Now, we have a staff at the Exchange of Chartered Accountants known as examiners, whose task it is to check the members financial status, and if they find a member has been under-capitalized and has not reported it to the Exchange then that member is liable to a charge of a breach of our bylaws and can be brought before the Governors for disciplining.

Another interesting item is that the companies listed on the Toronto Stock Exchange numbers just over 1200. It is a very interesting thing to note that the number increases yearly, slightly, but only slightly, because it is quite amusing to look back and see the number of companies that have been taken off the Exchange because they have failed to meet our list of requirements or because of mergers or some other reason. Usually the number is just over 1200. There are two kinds of companies, two really separate categories. There is the industrial company and the speculative mining and oil company. The Toronto Stock Exchange is more or less criticized by business people who feel that by having these speculative stocks listed on the Exchange it damages the prestige of the Exchange. I feel it does in some quarters unless it is explained to people that the speculative stocks are subject to separate and special controls, and that in fact, by the Toronto Stock Exchange accepting this type of speculative listing the Stock Exchange has done the country a tremendous service because it has made the facilities of the Exchange available to the young mining and oil companies which are in a speculative state. A good many of these companies we must admit never have and never will amount to anything because by the very nature of things, hunting for a mine or an oil well or an oil field is highly speculative, you can't tell what's down there, and a lot of money is spent on drilling and tools and then they find it is not sufficient to justify further development. So a lot of money is spent on mining exploration and a lot of companies are organized to do mining exploration which never in fact prove successful. I don't make any excuses for the fact to the members of the Stock Exchange. When I am talking to groups of investment people I tell them quite clearly if they can't afford to lose their money they shouldn't buy those stocks, notwithstanding the fact its listed on the Stock Exchange. Very often we are asked what controls we have over the listed companies. The truth of the matter is we haven't very much control.

We have often been asked why don't you insist all your listed companies issue quarterly reports as is done in the United States, and why don't you insist that they issue better financial statements and so on and so on. Well, we do go about as far as I think we can go in urging companies to make better disclosures and to issue more frequent statements, and in the final analysis the only penalty we can impose is to suspend or delist its shares. When we do that we may be giving the company a black eye and cause him to be very annoyed. But the people that are really hurt are the shareholders, and it is therefore only under very pressing circumstances that we feel justified in suspending a company because of a failure to disclose information or because of misleading information. We have recently introduced a new policy for suspending speculative companies when they don't maintain a certain financial standard and don't accomplish or do as much work as we feel they should be doing. Here again while we are perhaps going very slowly we are going very surely, and some twenty of those companies have been suspended from trading during the past nine months. It seems to me you have to have a thick hide, like a rhinoceros, because you are damned if you do and damned if you don't. We think we have a good policy, we only do it after most careful consideration. As I say many people feel we should go further, and a good many people feel we are going too far. We get more letters from shareholders who have bought these cheap speculative stocks when we suspend a company than we do from any other people.

You might say what are the conditions for a company listing its shares on the Stock Exchange. One of the conditions is that the shareholders of the company have what we call liquidity. If you hold shares in a company you can call your broker and say, sell so and so. Its most unusual if you can't find a buyer on the Toronto Stock Exchange or some similar Exchange. If you want to buy, it would be most unusual if you can't have your order executed. With companies that are not listed on the Stock Exchange it's not so easy. If you want to sell it's not always easy to find a buyer. If it's easy to find a buyer you will find there is a greater spread between the bid and asked price than it is on a listed stock. Another good reason for listing shares on the Stock Exchange is the fact that information about the company and about the trading of shares and the number of shares can be obtained. Brokers who are members of the Stock Exchange all through Canada can obtain information on the trading of shares, and a listed company gets a great deal of publicity, and this is all to the good. It is interesting to note that on our dial quotation system which is now continent wide stockbrokers on the West Coast and in New York can dial a code number through a telephone dial in another office, and by dialing the code number of the listed stock on the Stock Exchange they can get the last bid and asked price, the total sales up to that time, and the closing price the day before. In another two weeks they will be able to get the dividend rate and the price earnings ratio. All this information is put into the computer at the Toronto Stock Exchange which we have installed at a cost of almost a million dollars, and of course, with the marvellous things the computer can do, the stockbroker can obtain this information if he has a customer that wants the latest information on a certain stock. Whether he is in Edmonton or Halifax, it's printed up immediately within a second or two.

You will be interested to know 100,000 queries are put into the quotation system a day and in the neighbourhood of 500,000 each week. Now just a word or two about the points people ask about and are interested in. I want to deal with some of the criticisms that are levelled at the Stock Exchange. Some of them are quite definitely justified and some of them not too well justified and made by people who are not familiar with the problems of the Exchange and the reasons that lie behind some of the things we do. I am reminded of the story of the man who joined a religious order. I seem to be turning to the religious side, I suppose it's my association with the Stock Exchange. This man joined a religious order, and one of the restrictions was you could only speak two words every ten years. At the end of the first ten years the Abbott called him in and said, "Well, what do you want to say? Remember you can only say two words." So the Monk said, "Lumpy beds." He went away and ten years later he came back, and the Abbott said, "Well, another ten years have gone, what have you got to say?" The Monk said, "Lousy food." Another ten years went by and the Abbott called him in and said, "What have you got to say?" And the Monk said, "I quit." And the Abbott said, "I'm not surprised, we have had nothing but complaints from you for the last thirty years."

One of the complaints levelled at the Stock Exchange is that we operate as a closed corporation or club. In a sense that is true because I mentioned about the seats. If any of you want to buy a seat – at the moment they are not available – they become available only when somebedy dies or retires. If you want to buy a seat you can buy it but you wouldn't be able to use the privileges that are attached to the seat, such as having five traders on the floor unless you were elected a member of the Stock Exchange, and where you get to be elected is by a ballot of the Exchange members, and if more than 20% of the ballots cast are opposed to your appointment you are not elected. Unfortunately, you wouldn't be a member of the Stock Exchange but you still have your seat. You might sell it at a profit, not that I want to push the sale of seats. There are people who have bought seats with the intention of holding them and then selling them. Since I have been at the Stock Exchange I have never known a case where a person who has bought a seat has been rejected by a ballot. Before a member buys a seat their wives are sensible enough to make a few inquiries to find out whether they are acceptable or not, but since I have been there everybody who has put their name up has been elected. For a long time after I came to the Stock Exchange I heard criticisms we never elected a Jew to the Stock Exchange. I know for a fact when applicants come up for nomination and a vote there is no question about their nationality, no question about their race, religion or colour, but they must be British subjects. I know for a fact there has been at least one person of Jewish faith elected.

I want to explain while there are only 113 seats, as soon as one member is elected they form a company with the approval of the Board of Governors, and may take in a large number of partners or directors in the company. Again, the partners and directors must be approved by the Board of Governors. Only the seat holder must be elected but these other associates are approved by the Board of Governors. Now, this means in fact, although there may be only 113 seats, and some people think we are a small closed corporation, there are in fact just under a thousand partners, principals and directors. The person who originally bought the seat may gradually take in more partners and divest himself of the interest in that seat. This is actually the situation. There are advantages in having certain characteristics of a club in this Stock Exchange. Incidentally, it's not only the Toronto Stock Exchange but the other Stock Exchange in Montreal and New York that have run into the same difficulties. Because this is a very highly skilled and prestigious business each member must have absolute confidence in his fellow member, because as you know on the floor of the Stock Exchange transactions are made involving tens of thousands of dollars simply by the scratch of a pen on a sheet of paper. A person that sells 1000 shares for a client wants to be very sure that the broker will stand behind this transaction and is going to pay the price that is marked on the slip of paper, so it is essential the seller will get his money and the buyer will get his shares. There must be this confidence between the principals. Sometimes a partner or a director or an applicant of a partner or directorship may be turned down, not because he has committed some legal offence and has some criminal record but because there is something in his past association or past record of business which indicates to the Governors of the Stock Exchange this is the type of person that is not suitable to be dealing this way on the Stock Exchange. It's a case of not only dealing with the Stock Exchange, it's a case of dealing with clients and the public.

Now, the person who is on the floor of the Exchange has an advantage over a person who is not there, but we have regulations that prevents a floor trader from taking a transaction away from a member of the public. We have had this regulation for quite some time. We have been criticized we haven't the machinery to see it was complied with, but now I am very happy to say we have the organization, the Stock Exchange has this function of seeing the floor trading facilities are carried on strictly in accordance with the regulations. To help in the surveillance of the regulations we have employed a full time Exchange officer, a man who spends his whole time on the floor, and an assistant who is there to police these operations.

Anybody who knows the stock market knows it's necessary if you are going to have a good market to have somebody standing ready to make offerings in order to get a good active market. This is done in all recognized Stock Exchanges and certainly it is an essential element in our Stock Exchange, just so long as a professional trader doesn't operate against the interest of the outside customer.

Now, we come to the question of primary distribution. This is one subject that one reads about in the paper. One gentleman who is quite intelligible with regard to the stock market said he wasn't quite clear what it was, and what all the criticism was about. I will try to tell you as simply as I can. Primary distribution is the sale of treasury shares directly from the treasury to the public. When a company comes to the Stock Exchange for a listing of 500,000 shares out to the public, these shares have been sold to the public out of the treasury of the company probably when it was formed, and the purchasers receive a prospectus, the prospectus having been filed with the Security Commission before the shares are sold to the public buyer of the shares. After having got a number of shareholders, three or four hundred at least, and say half their capitalization out in that way, they come to the Stock Exchange after some years of operation and say we want to list our shares. The Stock Exchange have a certain listing standard, and they look at the company, and if it meets with the Stock Exchange standard they list the shares, only the shares in the hands of the public. When the company wants to raise more money it will perhaps issue rights to the existing shareholders or if it doesn't it has to file a prospectus with the Security Commission, and those shares are sold not on the Stock Exchange but the same as the first shares were, and then they go on the Stock Exchange. That is all the industrial, mining and oils are under the Securities Act of Ontario. That is not something done by the Stock Exchange, it is authorized by the laws of Ontario and has been for many years. When a mining company comes to us for a listing, in that case we have also certain listing standards. First, the company must have $100,000.00 in the treasury, it must have a certain number of shareholders, 400 or 500, and it must produce engineers' reports and evidence that it has a reasonable expectation of developing a commercial ore body. Now, after scrutinizing this the Stock Exchange decides it is a company we will accept, all the shares of the company are listed, not only the 500,000 shares in the hands of the company but the entire capitalization. In a year's time when a company has again sold and spent the $100,000.00 it has in its treasury and it has indications it is going to have a commercial ore body and it needs more money, instead of doing what the industrial company has done, issuing a prospectus and selling those shares away from the Stock Exchange, under the law of Ontario that company can go to the Stock Exchange and say we have an underwriter who is prepared to buy 200,000 shares of our company at a dollar a share and he wants a part of another $100,000.00 at a $1.00, $1.50 a share. The Stock Exchange has a Committee, no brokers, but about a year ago this was changed. The members of the Stock Exchange used to sit on this Committee, but not now. The senior members of the Committee study the engineer's report and if they are not satisfied with the report they can say we have a consultant and we will have to get his opinion. After the most careful consideration they can say we have decided that we will accept notice of this underwriting but we don't approve it in so many words, we accept notice of the underwriting. When an underwriter pays the $200,000.00 to the company he gets 200,000 shares. These shares can be sold under the existing practice on the Stock Exchange through a broker, of course, acting for the underwriter, and the people that buy these shares don't get a prospectus. This I think is the principal criticism. Perhaps I shouldn't say the principal criticism, there is another criticism that has been justified, but I believe we have it licked pretty well now.

In the cheaper mining stocks it may be possible for the promoter to manipulate the market. Perhaps under the guise of stabilizing the market he will attempt to manipulate the market to his own advantage. This is something the Stock Exchange doesn't like, and it is something we are working on. We feel we have stopped up the holes that have permitted the manipulation of the market, but we certainly have not covered the point about the buyer of the shares getting a prospectus. The person doesn't know he is buying treasury shares. Perhaps it is wrong and we are now studying some way to see perhaps that the buyer will get a short form of prospectus, perhaps one in good plain print about who the directors are and what the company has accomplished and what the financial situation is should be enough. And perhaps too, the system should provide that the shares are not bought on the floor of the Stock Exchange during the operation of the market but are bought either before or after the market closes.

Now, Mr. Chairman, the time has come for me to close, although there is something more, more things I feel are of tremendous interest about the Stock Exchange but time does not permit me to cover them today. I would like to say this, the operation of the Stock Exchange are really quite enormous in my opinion. Yesterday there were 8870 transactions, individual transactions on the floor of the Stock Exchange involving 4,308,000 shares valued at $12,000,000.00. The average industrial price was $20.00 and the average mining and oil speculative shares was $1.10. This is much higher than it was three years ago. In the first three days of this week there was about $40,000,000.00 of trading on the floor of the Stock Exchange. In 1965 the volume of trade was 361 billion dollars. People say they don't understand, but if you give your wife a million dollars to spend at a thousand dollars a day, she will be back in just under two years for a little more pin money. If you give her a billion dollars she won't be back for three thousand years, which is a pretty good way to explain the difference between a million and a billion dollars.

You probably noted in the newspapers that the bill now before the Ontario Legislature which will deal with Stock Exchange trading also provides that the Ontario Securities Commission may when it is in the public interest intervene in trading on the Stock Exchange or with respect to securities listed on the Stock Exchange.

In Conclusion, Mr. Chairman and gentlemen, it seems proper and even necessary we should remind ourselves the Toronto Stock Exchange while it may have had weaknesses and imperfections in its policies in the past, nevertheless the Exchange should be recognized as an efficient, honestly operated, and adequately controlled financial institution. It has made and continues to make an inestimable contribution to the economic life of Canada, and that is so recognized I might say throughout the business world.

In a few weeks I will be leaving the Exchange, and leaving it with regret. During my five and a half years of office I have had the greatest possible support from the Governors and the members of the Exchange, and I have been impressed by their desire to improve their services to the public, sometimes at very considerable financial loss to themselves. I am indeed proud to have been associated with them.

Thanks of this meeting were expressed by Col. Bruce J. Legge.

APRIL 28, 1966

President's Report 1965-1966

ANNUAL MEETING

CHAIRMAN The President
Lt. Col. E. A. Royce, E.D.

Reverend Sir, honoured guests, ladies and gentlemen –

Today's meeting necessarily will consist of two parts – first, the annual meeting and then an address by our guest speaker. While certain formalities are, of course, necessary in connection with this annual meeting, I can assure those present who are not members of the Empire Club of Canada that they are most welcome, that the official business of the meeting will not take very long and that the address that they will hear later will justify their patience.

I will now call the Sixty-Third Annual Meeting of the Empire Club of Canada to order and present my Report as President.

During the year, twenty-six meetings were held with an average attendance of something over two hundred and fifty. Dealing first with our speakers, three of these came from the United Kingdom and the presence of Her Gracious Majesty the Queen Mother, at our dinner meeting last June – chaired so ably by Colonel Hilborn – will, I am sure, for many of us, always remain not only a highlight of the Club's year but an experience we shall remember as long as we live.

Four distinguished Americans spoke to us and, of course, the dinner meeting for General Maxwell Taylor was the outstanding event in 1966.

In addition, nineteen Canadians – all men of distinction in their fields – spoke to the Empire Club and I should like to say how very much we are indebted to all these speakers for we do not pay fees and those who address us do so at some considerable cost to themselves in both time and money. It is a tribute to the quality of the forum which the Empire Club provides that we are able to get speakers of the highest quality to come to us and, in addition of course, we turn aside a great many offers from agencies with a stable of speakers who are seeking engagements at a fee. These are invariably declined with a tactful explanation of our policy.

Since your President is a banker, it is perhaps fitting that during his year of Office the financial affairs of the Empire Club were placed on what we consider a more realistic and sound basis in view of steadily rising costs. For the first time in many years–and acting unilaterally–the fees were raised from six dollars to ten dollars for the first year and from six dollars to eight dollars for subsequent years, while life memberships are now one hundred and fifty dollars ($150) instead of one hundred ($100). A further significant change was the disappearance of the non-resident category for which the annual fee was formerly three dollars and fifty cents; of the two hundred and fifteen non-resident members, we lost only twenty-three through resignations and of these only three mentioned the fees increase with more than half of the remainder stating that they had moved out of Canada and therefore resigned with regret. At the end of the Club year, our membership is always at its lowest and today we have twenty-six hundred and sixty (2,660) members; the loss of only one hundred and fifty-seven (157) over the past twelve months is the lowest figure in three years. Our membership campaign which will begin shortly may well bring our numbers to the highest in the history of the Club. In this connection, I should mention that John Griffin, our invaluable friend and counsellor, when President thirteen years ago, first suggested this increase in fees so no one can accuse your executive of acting hastily in this matter.

Before I leave this subject of membership and attendance, I should mention that more than nine hundred people attended the dinner for the Queen Mother and almost eight hundred attended that for General Taylor–we could have had many more for General Taylor but could not obtain the Canadian Room. On that wonderful occasion, the Christmas luncheon, nine hundred and three members of the Empire Club family were present and I think at this time I should express the thanks of all of us to the Royal York Hotel and the extremely competent staff for their excellent co-operation during the past year. Our friend, Colonel Angus MacKinnon, Charles Dario, the Maitre–D, and Mr. Hans Grubmayr, the Head Waiter, and his Staff, all deserve our sincere thanks and I would ask you to show our appreciation in the usual way.

The Presidency of so large and illustrious an organization as the Empire Club of Canada is not to be undertaken lightly and indeed the discharge of the functions of the President are only made possible by the first-class support he receives. In this connection, I should like to thank the Budget and Finance Committee headed by Mr. Warren Goldring, the Constitution Committee headed by Mr. Corrigan, the Head Table Committee and particularly its impressive and experienced Chairman, Harold Gillingham, who does such a first-class job of assembling the Head Table, sober, properly dressed and on time! The Membership Committee, under Mr. Bredin Stapells, has of course done an outstanding job in this very important year and Peter Hunter, Chairman of our Publicity and Public Relations Committee, and his excellent assistants have given the outstanding performance expected of them. Mr. Best of the Year Book Committee has ensured that the standard of excellence which characterizes the Club's "Red Book" will be maintained and of the Speakers Committee, I can only say that I have never called on one of its members without receiving prompt and effective support.

And now we come to the Reception Committee–Dr.

Crummey, Dr. Parish, Ian Baxter, Dr. Cranfield, Ernest Miles and our old friend, Ford Ralph, have all maintained the tradition of the Club by ensuring that our members and their guests were received warmly and seated with a minimum of confusion–I am sure this contributes a great deal to the special sort of atmosphere that characterizes our meetings.

May I at this time pay a special tribute to our Secretary-Treasurer, Mr. John Griffin, who has, as usual, been a tower of strength and Miss Mackenzie whose knowledge and dedication have been invaluable to me. May I also thank most sincerely the Secretaries of the various Committees and Officers of the Empire Club of Canada. These men and women, all performing extra duties for the benefit of the Club in addition to the demands of their normal vocations, deserve our sincere thanks for I am sure that many find themselves spending almost as much time on Empire Club work as on the work of their own Company. I know this was true of my own secretarial staff during this past year and yet these additional duties have always been discharged cheerfully.

May I also say a word of appreciation to the Metropolitan Police who helped us so much on the occasion of the dinner for the Queen Mother and for General Taylor.

I should also like to thank the Press for the excellent co-operation they have given us this past season–no one has even pretended to have been misquoted at any time and this is surely a record!

And finally, I cannot forget our Pianist, Mr. St. John, whose playing is so important.

Now on a more sombre note, I must mention distinguished members of the Club who have "gone home" in the past year– Mr. H. G. Colebrook, Past President, 1949-1950, Dr. C. A. Corrigan, a long active member of the Club and a life member, whom many will recall, Dr. J. A. MacFarlane, former Dean of Medicine, University of Toronto. He was elected to an honorary life membership last January at the suggestion of Dr. Harold Cranfield and died only three weeks ago. All these men contributed to the Club and to Canada in their day and generation and we honour their memory. However, to use that famous phrase, "Men die but the regiment goes on" and I am happy to say that although we miss these giants of the past, the vitality of the club is ensured by the excellent quality of new members that come forward year after year and from whom we are able to obtain directors of the highest calibre.

This leads very naturally to the business which is the Report of the Nominating Committee, whose Chairman this year is Colonel Hilborn–Colonel Hilborn.

COLONEL HILBORN:

Mr. President, distinguished guests and fellow members of The Empire Club of Canada.

It has been my great privilege to act as Chairman of the Nominating Committee consisting of, in addition to the Chairman, the following gentlemen: C. W. Goldring, T. W. King, H. T. I. Lee, Col. B. J. Legge, Q.C., W. T. Murchie, Dr. J. A. Parish, W/C L. W. Skey, D.F.C., and R. J. Wood. The Committee met, cogitated, deliberated and with a unanimity of opinion that is in itself the strongest possible recommendation, proposes the following list:

The Honorary President is His Excellency General the Right Honourable Georges P. Vanier, P.C., D.S.O., M.C., C.D., Governor General of Canada.

The Honorary Vice-President is the Honourable W. Earl Rowe, P.C., Lieutenant-Governor of Ontario.

The Honorary Secretary is Ernest Miles; the Honorary Treasurer Walter W. Comber, C.A., the Honorary Assistant Secretaries R. Ford Ralph and John Irwin and the Honorary Assistant Treasurer Marvin Gelber.

We are grateful to the following members of the Board of Directors for 1965-1966 who have agreed to serve again and thus our Club will continue to reap the benefits of their wise counsel and respected judgment.

R. L. Armstrong
D. H. W. Bath
I. S. Baxter
D. W. Best
Norman Borins, Q.C.
F. G. Brander
W. R. Collier
J. H. Corrigan, Q.C.
Dr. H. V. Cranfield
Dr. C. B. Crummey
E. A. Dunlop, G.M., O.B.E., M.P.P.
H. G. Gillngham
C. W. Goldring
Lt. Col. D. C. Haldenby, C.D.
Hon. Paul T. Hellyer, P.C., M.P.
C. C. Hoffman
Rt. Rev. E. M. Howse
J. O. Hughes
Lt. Col. P. W. Hunter, C.D., A.D.C.
H. N. R. Jackman
T. C. Keefer
A. F. Lawrence, Q.C., M.P.P.
Dr. J. A. Parish
L. W. Skey, D.F.C.
John M. Thompson
Lt. Col. J. G. Wasteneys, C.D.
J. K. Williams
R. J. Wood

We are fortunate indeed that Richard Casson, Controller William Dennison, Maj. Gen. George Kitching, C.B.E., D.S.O., C.D. and Joseph H. Potts have consented to their name going forward in nomination as Directors.

The Immediate Past President will be that distinguished banker, soldier, and fly fisherman, Lt. Col. E. A. Royce, E.D., who has led us with wisdom coupled with sound direction and lightened by wit and badinage through an auspicious year. The other Past Presidents will be your humble servant and Mr. Arthur Langley and Mr. J. Palmer Kent, Q.C.

It was the unanimous recommendation of the Committee that the appointment of Third Vice-President be filled by Mr. H. Ian Macdonald, Chief Economist for the Province of Ontario. He is a Rhodes Scholar who as Dean of Men at age 26 was the youngest Dean in the history of University College. The completeness of the man is indicated by the awards, while a student at the University of Toronto, of both the Cody Trophy for contributing most to athletic life of University College and the Governor General's Medal for the best degree in the Faculty of Arts. At Oxford he captained the College's hockey team. While his direct responsibilities are those of senior economic adviser to the Government of Ontario, so wide-ranging are his interests and influence in other fields of public affairs, industrial relations and political science on the domestic and international levels that he doesn't know the meaning of the word "provincial".

We recommend that Mr. Edward B. Joliffe, Q.C., be promoted to Second Vice-President from the Third Vice-Presidency in recognition of his dedication and service.

For First Vice-President we propose Mr. Graham Gore, Director of Education for the City of Toronto, who has so ably assisted the Club in the offices of Third, and last year, of Second Vice-President.

The Presidency of a Club greatly in his debt will pass from the reluctant Colonel Royce to one who will have the distinction of following his father in the Presidency and is the third President of this Club from the same loyal and distinguished family.

R. Bredin Stapells, one of Her Majesty's Counsel learned in the law was educated at St. Andrew's College and graduated by the University of Toronto and the London School of Economics. He attended Osgoode Hall Law School, read law with his father, Past President, H. G. Stapells, Q.C., and was called to the Bar of Ontario in 1950. Mr. Stapells served with the R.C.A.F. during World War II. He is a member of the firm of Stapells, Sewell, Stapells, Patterson & Rodgers. He is Past President of the Ontario Branch of the Royal Life Saving Society; a member of Council of the Canadian Bar Association and the Board of Governors of the Canadian Tax Foundation and he continues to give of his time, energy and great talents to the Royal Commission on Taxation. We join him in looking for early relief from this area.

Mr. President, it is my privilege to nominate as Directors of the Club those gentlemen whose names I have read and as the 64th President of The Empire Club of Canada, Mr. R. Bredin Stapells, Q.C.

COLONEL ROYCE:

Are there any other nominations?

I declare the nominations closed.

As the number of gentlemen just nominated does not exceed the number of officers and executive officers permitted by the Constitution, I instruct the Secretary to cast one ballot for the election of these gentlemen.

The Secretary has just handed me his ballot so I declare those nominated elected as Directors and Members of the Executive Committee for 1966-1967. Will those who have been named as Directors please remain after the luncheon for a brief meeting in the adjoining room.

May I now have nominations for the post of auditor?

(Mr. Horace Harpham then nominated Mr. H. T. Jamieson and Reverend J. Robert Watt seconded the nomination.)

Are there any other nominations? I declare the nominations closed and Mr. Jamieson duly elected.

APRIL 28, 1966

A Positive Approach To The Problem Of Inflation

AN ADDRESS BY Hon. George Hees, M.P.

CHAIRMAN The President,
Lt. Col. E. A. Royce, E.D.

COLONEL ROYCE:

It is now my pleasant duty to introduce our distinguished speaker; fortunately in this case, I can say in all truth that he is so well known to us that a lengthy preamble would be entirely superfluous. Our guest speaker was educated at the Royal Military College, the University of Toronto and Cambridge University where his exceptional athletic ability earned him a triple blue. He played with the Toronto Argonauts in 1938 when they won the Grey Cup – few of us can even remember when this last occurred and to have with us a man who actually participated in the event is of great historic importance, I feel. Perhaps our speaker could render one more tremendous service to Toronto by putting on a uniform again!

For four years he served in the Canadian Army overseas and was wounded in action in Holland in November, 1945, while serving as Brigade Major of the 5th Infantry Brigade. He was invalided home and in 1950 elected to Parliament. In 1954 he was elected President of the Conservative Party and in 1957 he became Minister of Transport and in 1960 Minister of Trade and Commerce; he proved one of the most able and energetic ministers we have ever had. In 1963 he became Director of Expo '67 and in 1964 President of the Montreal Stock Exchange and Canadian Stock Exchange and in 1965 was re-elected to Parliament.

Ladies and gentlemen – as you know, this is the last meeting of the Empire Club which I shall chair as President and it gives me the greatest pleasure therefore to introduce our present speaker, a man in whom energy, ability and a sense of humour combine in a most happy fashion with those sterner qualities, courage and loyalty. Ladies and gentlemen – the Honourable George Hees, a Member of the House of Commons.

MR. HEES:

According to the Minister's presentation, the Budget presented to Parliament on March 29th last is designed to reduce the inflationary pressures which have caused the wholesale price index to increase by 3.2% during the past year, and to rise by another 4% during the present year, according to the Minister's forecast.

As we all know, inflationary pressures are caused by too much money chasing too few goods. These pressures can be reduced either by the negative method of decreasing the amount of money available to buy the goods, or the positive method of increasing the volume of goods available for sale. The Budget makes it clear that the former method has been chosen, and the money supply is to be restricted by the tight money policy which has been imposed upon the country, and by the special refundable tax of 5%. Not only does the Budget fail to introduce measures to encourage expanded production, but, by the introduction of the special refundable tax of 5%, industry is actually limited in its ability to carry out its normal expansion programmes.

Now, why is the Government limiting the ability of industry to expand production, and thereby relieve the inflationary pressure, and increase prosperity? It is because there are not enough skilled workers in the country to carry out expanded production. Why should this be so? It has been clear that unemployment has been decreasing steadily during the past few years, and skilled workers have been in increasingly short supply during that period. Each year, it has been more and more obvious that the programme to train additional skilled workers is inadequate to meet the growing demand.

What has been sorely needed is an immigration programme with sufficiently attractive inducements to attract the required number of skilled workers from other industrial countries. The absence of such a programme has allowed an increasingly critical situation to get steadily worse.

It is really incredible that in a young and strong country such as Canada we should be forcing industry to slow down on normal expansion programmes. We should be introducing policies to increase industry's capacity to produce, and thereby keep pace with the growing demand for goods, both at home and abroad. As a result of our negative and short-sighted policy, we are losing sales which should be ours, and which may be difficult or impossible to regain later on.

If this country is to meet foreign competition, both at home and in the export market, we must make our prices increasingly competitive. Lower costs are made possible by the economies of scale, and those economies are made possible by increased production, not the reduced production which is being forced on industry today.

One of the strongest inflationary pressures results from low productivity, which forces up costs and thereby, selling prices. During the five-year period between 1960 to 1964, productivity in Canada increased at an average annual rate of 2.9% per year. Last year, it increased by only 2%, or two-thirds of the average annual rate of increase for the previous five years. This is one of the principal reasons why the wholesale price index in Canada increased last year by 3.2% over 1964, and was 50% higher than the increase in the United States during the same twelve months. This year, a rise of 4% is forecast by the Minister.

We need financial incentives to induce increased productivity so that our wholesale price index will rise at a reasonable rather than an excessive rate, as it is doing today.

Another reason why incentives to encourage greater productivity should have been introduced in the Budget is because high prices are slowing down the annual rate of increase of our export trade.

The industrial trade crusade which was introduced at the end of 1960 produced, during the first year of operation in 1961, a 10% increase in exports over the previous year, and our first positive commodity trade balance in nine years. Since then, our exports increased at a higher rate each year, and our sales abroad in 1964 were 19% greater than 1963.

However, during 1965, exports increased over 1964 by only 4.6%, or one-quarter of the rate of increase during the previous year. Higher prices of Canadian goods made them less competitive abroad, and our sales drive slowed down accordingly. It is obvious that incentives to increase productivity are urgently needed to make possible a satisfactory yearly increase in our export trade.

I think it is obvious that to keep our economy healthy, we must have –

1. A greatly accelerated and expanded programme to train the skilled workers this country needs to carry out its normal industrial expansion.
2. An immigration policy which will attract the skilled workers our training programme is unable to provide.
3. Incentives to promote increased productivity, and thereby enable Canadian industry to successfully compete in the home and export markets.
4. A policy which will provide industrial loans at reason-

able rates of interest, so that Canadian industry can expand to keep pace with world demand, and enable this country to reach it's full economic potential.

And now I would like to deal with another matter which is necessary to keep our industrial expansion moving forward, namely the attraction of foreign capital to this country.

Let there be no doubt about the fact that this country is going to need all the foreign capital we can possibly attract, for many years to come. We simply do not have anything like the capital we need to provide the economic expansion of which our country is capable, and which is needed to keep our people employed and our economy healthy.

We must always keep in mind, when considering legislation to deal with the operation of foreign capital in this country, that that capital can and will go to other parts of the world for employment if those who control its operations believe that it cannot make an equally satisfactory return in Canada.

When that sort of thing happens, the factories, mills, transportation facilities, etc. which would have been built by the use of this foreign capital in Canada, are built in other countries, with the resultant lost employment and prosperity in this country.

We must make it very clear in the countries which have capital to export that their capital is very welcome in Canada.

Now, what has been our experience with foreign-owned companies? Are they really the big, bad wolves that many of our politicians would like us to believe? When I was in Transport, and Trade and Commerce, I came into contact with many of those who direct the operations of such companies. I found that their policies were aimed at conducting their affairs as good corporate citizens should. I always found them to be reasonable and willing to accept reasonable suggestions in keeping with the economic welfare of the country. I do not believe that they ever need to be threatened. I feel sure that they will always co-operate if approached in a reasonable and sensible manner.

A good example of the co-operation which the Canadian Government receives from the heads of Canadian corporations owned and controlled outside of Canada, was at the time when the national oil policy was in preparation in late 1960. In order for that policy to be a success, it was necessary to have the complete co-operation of our major oil and gas companies. I am glad to say that I received 100% co-operation from the heads of all of these companies, and I continued to receive it at all times when I was a Member of the Government. I know that the two Ministers who have followed me have received the same kind of co-operation ever since.

The importance of the oil and gas industry to Canada has been recognized for a long time, but many people do not realize just how much of this great industry owes its existence to the investment of foreign capital in this country.

Since 1947, seven and a half billion dollars have been invested in Canadian oil and gas exploration and development. Of this, $4.6 billion, or 60%, came from outside Canada. If this $4.6 billion had not been made available by investors from other countries, 18,000 of the 30,000 Canadians who are employed directly in the exploration, production, and transportation of oil and gas would not have a job, and our oil and gas production would be only 40% of what it is today.

Now, why is so much of our development owned and controlled outside of Canada?

The situation came about for two reasons. The first is that a great deal of the technical knowledge needed for starting many of our industries was possessed only by people in other countries. The second is that we Canadians do not seem to have the same willingness to back development projects with hard cash as do people in other parts of the world, particularly in the United States. Quite naturally, if they are the ones willing to take the risks inherent in any development project, we must expect them to own the enterprises which have been made possible by their financial courage.

What can be done about winning back more ownership and control of our own development? The logical answer is that we must be more courageous in backing our development with our dollars.

If we will do so, we will not only participate far more fully in the development of our country, but also build up our own personal nest eggs far faster than most Canadians are doing today. It is, I believe, a line of approach which all of us would do well to follow.

Thanks of this meeting were expressed by Rt. Rev. E. M. House.

June 29, 1966

The President and Directors,
The Empire Club of Canada,
TORONTO, Ontario.

GENTLEMEN,

Further to our Report of this date to the Members of The Empire Club of Canada, Toronto, Ontario, we report as follows:

Membership Roll:

Following is a summary of the Membership Roll for the year:

Membership Roll as at	*Resident*	*Non-Resident*	*Honorary and Life*	*Total*
30th April, 1965	2,602	215	88	2,905
Transfer or discontinuance of Non-Resident Classification	215	(215)	—	—
Net Increase or (Decrease)	(135)	—	2	(133)
30th April, 1966	2,682	—	90	2,772

The Secretary-Treasurer has certified that the Roll as at 30th April, 1966 contained 2,772 Members as above.

Luncheon Disbursements:

Net of Receipts, $1,704.12:

Following is an analysis of this amount:

Net cost of Regular Luncheons	$2,551.27
Net cost of General Maxwell Taylor Dinner	1,169.83
	$3,721.10
Less:	
Net Income from Royal Visit Dinner	2,016.98
	$1,704.12

Payments:

All payments made during the year were authorized by the Board of Directors.

Liabilities:

The 1st Vice-President and the Secretary Treasurer of the Club have certified that all liabilities of the Club as at 30th April, 1966 have been included in the accounts.

Insurance:

We are Informed that as at 30th April 1966 Insurance in force was as follows:

Property:	
Furniture and Equipment subject to 100% insurance	$6,000.00
Silver Cigar Box	700.00
Public Liability and Property Damage	200,000.00

Fidelity Bond:

None of the Officers or employees of the Club is bonded.

Acknowledgment:

We express our appreciation of the courtesy and assistance extended to us during the course of our audit.

Reported by,

H. T. JAMIESON, LEMAY, & COMPANY

CHARTERED ACCOUNTANTS

Honorary Auditors

THE EMPIRE CLUB OF CANADA

THE ANNUAL FINANCIAL STATEMENT

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH APRIL, 1966

Cash on Hand and in Bank 30th April, 1965		$4,427.66
Current Receipts:		
Membership Fees	$21,678.52	
Proceeds from Sale of Year Book	98.69	
Interest – Bonds	270.00	$22,047.21
Current Payments: (see note)		
Luncheon Disbursements – Net of Receipts	$ 1,704.12	
Members' Notices	4,191.64	
Music	285.00	
Printing, Stationery and Postage	1,848.99	
Year Book Costs	5,857.65	
Recording and Publicity	913.67	
Rent	300.00	
Speakers' Expenses	204.24	
Miscellaneous Expenses	902.74	
Telephone and Telegraph	197.60	
Secretarial Services	2,577.10	
Honorarium – Secretary-Treasurer	1,000.00	19,982.75

Excess of Current Receipts over Current Payments	2,064.46
	$6,492.12
Life Membership Fees Received	450.00
Cash in Hand ($25.00) and in Bank ($6,917.12) as at 30th April, 1966	$6,942.12

NOTE:

Current Payments include payments applicable to the preceding fiscal year in the net amount of $1,631.92.

To the Members,
The Empire Club of Canada,
Toronto, Ontario.

We report that we have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, for the year ended 30th April, 1966, and have obtained all the information and explanations we have required and that, in our opinion, the above Statement shows correctly the Receipts and Payments of the Club for the year ended 30th April, 1966.

In addition to the Cash Balance of $6,942.12, the Club held at 30th April, 1966, $6,000.00 Par Value Government of Canada 4½% Bonds maturing 1st September, 1983.

At 30th April, 1966, the Club was committed to publish the 1965-66 Year Book at an estimated cost of $5,850.00.

29th June, 1966. Honorary Auditors.

H. T. JAMIESON, LEMAY, & COMPANY

Toronto, Ontario. CHARTERED ACCOUNTANTS

1966-1967 *Officers and Board of Directors*

Honorary President	HIS EXCELLENCY GENERAL THE RT. HON. GEORGES P. VANIER, P.C., D.S.O., M.C., C.D. GOVERNOR-GENERAL OF CANADA
Honorary Vice-President	THE HON. W. EARL ROWE, P.C. LIEUTENANT-GOVERNOR OF ONTARIO

Officers

President	R. BREDIN STAPELLS, Q.C.
First Vice-President	GRAHAM M. GORE
Second Vice-President	E. B. JOLLIFFE, Q.C.
Third Vice-President	DR. H. I. MACDONALD
Secretary-Treasurer	JOHN W. GRIFFIN
Honorary Secretary	ERNEST MILES
Honorary Treasurer	W. W. COMBER, C.A.
Honorary Auditor	H. T. JAMIESON, F.C.A.
Honorary Assistant Secretaries	R. FORD RALPH JOHN IRWIN
Honorary Assistant Treasurer	MARVIN B. GELBER

Board of Directors

R. L. ARMSTRONG
D. H. W. BATH
IAN S. BAXTER
DOUGLAS W. BEST
NORMAN BORINS, Q.C.
F. GERALD BRANDER
RICHARD CASSON
W. R. COLLIER
J. H. CORRIGAN, Q.C.
DR. H. V. CRANFIELD
DR. C. B. CRUMMEY
WILLIAM DENNISON
MAJOR E. A. DUNLOP
G.M., O.B.E., M.P.P.
W/C HAROLD G. GILLINGHAM
C. WARREN GOLDRING
LT. COL. D. C. HALDENBY, C.D.
HON. PAUL T. HELLYER,
P.C., M.P.
CHARLES C. HOFFMAN
RT. REV. E. M. HOWSE
JAMES O. HUGHES

LT. COL. P. W. HUNTER, C.D., A.D.C.
H. N. R. JACKMAN
MAJOR T. C. KEEFER
MAJ. GEN. GEORGE KITCHING, C.B.E., D.S.O., C.D.
A. F. LAWRENCE, Q.C., M.P.P.
DR. JAMES A. PARISH
JOSEPH H. POTTS
W/C. L. W. SKEY, D.F.C.
JOHN M. THOMPSON
LT. COL. J. G. WASTENEYS, C.D.
J. K. WILLIAMS, Q.C.
R. J. WOOD

Immediate Past President	LT. COL. E. A. ROYCE, E.D.
Past Presidents	LT. COL. R. H. HILBORN, M.B.E. MAJOR ARTHUR J. LANGLEY, C.D. J. PALMER KENT, Q.C.

Constitution

ORGANIZATION OF THE CLUB AND BRANCHES

ARTICLE I

Name

1. The name of the club shall be The Empire Club of Canada.

Purpose and Object

2. The purpose and object of the club is to promote the interests of Canada and the British Commonwealth by the consideration and discussion of subjects and events relating thereto and by any other means appropriate to the facilities of the club.

Branches

3. Branches of the club may be established with the authority of the board of directors and subject to such conditions and regulations as may from time to time be decided upon by the club in Toronto.

MEMBERSHIP

ARTICLE II

Classes of Members

1. The membership of the club shall consist of:
   (a) Honorary members
   (b) Life members
   (c) Regular members
   (d) Corporate members

   All members of classes (a), (b), (c) must be of the full age of eighteen years.

Honorary Members

2. Honorary members may be elected by the unanimous vote of those present at a meeting of the board of directors. They shall be exempt from the payment of fees but shall not have the privilege of voting or holding office and their membership shall be terminable at any time by a two-thirds majority of those present at a meeting of the board of directors.

Life Members

3. Members of the club in good standing (other than corporate members) and other persons regularly proposed may be elected life members by a two-thirds majority of those present at a meeting of the board of directors. Life members shall pay such a fee in one sum as may be fixed from time to time by the board of directors.

Regular Members

4. Save as provided in Section 5 of this Article candidates for regular membership shall be proposed by a member in good standing and shall be elected by a two-thirds majority of those present at a meeting of the board of directors.
Save as provided in Section 5 of this Article regular members shall pay respectively such annual fees as may be fixed from time to time by the board of directors. Members elected after the first day of March in any year shall pay one annual fee only in respect of the period from the date of election until the thirtieth day of September in the following year. No member in arrears for fees after January 1 shall be considered in good standing.

Corporate Members

5. Any company, partnership or business organization shall be eligible for election as a corporate member. Applicants shall be proposed by a member in good

standing and the application shall contain the names and positions of the persons nominated by the applicant as its representative regular members. The applicant and its nominated representatives shall be elected by a two-thirds majority of those present at a meeting of the board of directors. A corporate member shall be entitled to nominate such number of its representative regular members as may be fixed from time to time by the board of directors and shall pay such annual fee as may be fixed from time to time by the board of directors, provided that such fee shall not be less than the aggregate fees which would have been payable on an individual basis by such representative members for the year in question. Save as in this section provided no fee shall be payable by or in respect of the representative regular members of a corporate member.

DIRECTORS

ARTICLE III

Duties and Powers

1. The affairs of the club shall be managed by a board of directors who may exercise all such powers and do all such acts and things as may be exercised or done by the club and are not by the by-laws or by law directed or required to be done by the club at a general meeting of its members.

Number and Quorum

2. The board of directors shall consist of forty members of whom sixteen shall constitute a quorum. The board of directors shall include at least four past presidents of the club, one of whom shall be the immediate past president and three others shall be the three past presidents immediately preceding the immediate past president if they are willing and able to act as directors.

Election of Directors

3. A nominating committee consisting of five members of the board of directors and four other resident members of the club shall be appointed annually by the board of directors at least thirty days prior to the annual meeting and shall prepare a list of nominations for directors for the ensuing year. The chairman or acting chairman of the nominating committee shall report the nominations of that committee to the annual meeting at which the board of directors shall be elected, but nothing herein shall preclude the nomination of other persons for the office of director at the annual meeting. If nominations do not exceed the number of directors necessary, the chairman of the meeting may instruct the Secretary-Treasurer to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the chairman to have been duly elected. No person shall be elected a director unless he is a resident member in good standing and is a Canadian citizen or a British subject.

Meetings of Directors

4. Meetings of the board of directors shall be called by the President, or on a requisition signed by three of its members. Written notice of such meetings shall be given to each director five days or more before the meeting is to take place, provided that a meeting may be held at any time if all the directors are present or if those absent have waived notice of or otherwise signified their consent to such meeting being held in their absence or have approved or signified their approval in writing to the proceedings taken at the meeting. The board may appoint a day or days in any month or months for regular meetings, at an hour or place to be named, and of such regular meeting, no notice need be given.

Casual Vacancies

5. In the event of any vacancy occurring in the office of director, the remaining directors may fill the vacancy from among the members for the unexpired portion of the term of office of the person whose office is vacant.

OFFICERS

ARTICLE IV

1. The officers shall consist of an Honorary President, an Honorary Vice-President, a President, First, Second and Third Vice-Presidents, an Honorary Treasurer, an Honorary Secretary and a Secretary-Treasurer. The board of directors may from time to time elect or appoint such other officers as it shall deem necessary. The President and the Vice-Presidents shall be directors of the club but other officers need not be directors. No person other than the Honorary President and the Honorary Vice-President shall be eligible for office unless he is a member in good standing.

Appointment of Officers

2. The board of directors shall meet as soon as convenient after their election for the purpose of appointing the officers of the club for the period ending April 30 in the next year but each officer shall continue in office until his successor is elected.

Casual Vacancies

3. In the event of a vacancy occurring in any office the board of directors may fill the vacancy for the unexpired portion of the term.

Honorary Auditor

4. An Honorary Auditor shall be appointed at each annual meeting. An audited statement of the finances of the club for the fiscal year shall be published annually and a copy shall be sent to each member.

COMMITTEES

ARTICLE V

1. The following standing committees and the chairman of each shall be appointed by the board of directors as soon as convenient after the election of the board:
   (a) Budget and Finance Committee
   (b) Speakers Committee
   (c) Membership Committee
   (d) Constitution Committee
   (e) Reception Committee
   (f) Publicity and Public Relations Committee
   (g) Year Book Committee
   (h) Head Table Committee
   provided that for any year the board of directors may by resolution elect not to appoint any one or more of such committees.
2. The President or the board of directors may from time to time appoint such other committees as may be deemed expedient.

MEETINGS OF MEMBERS

ARTICLE VI

General Meetings

1. The club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as may from time to

time be determined by the board of directors. Special meetings of the club may be called at any time by the President.

Annual Meeting

2. The annual meeting shall be held not later than April 30 in each year. At the annual meeting a report of the year's proceedings and work shall be submitted by the President and this report shall be accompanied by an interim report from the Secretary-Treasurer.

Notice of Meetings

3. Written notice of all meetings of members shall be given all members of the club before the date on which the meeting is to be held. Such notice shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto. The accidental failure or omission to give notice to any member shall not invalidate the proceedings at any meeting.

Quorum at Meetings

4. Sixteen members in good standing shall constitute a quorum at any meeting of the club, general, annual or special, and the Chairman of the meeting shall have a casting vote.

Limitation of Business at General Meetings

5. No business other than the hearing of the addresses shall be introduced at any meeting of the club by any person other than the chairman of the meeting, unless it has been submitted to the board of directors and received its approval.

FISCAL YEAR

ARTICLE VII

The fiscal year of the club shall end on such day in each year as may be fixed by the board of directors but unless so fixed by the board shall end on April 30th.

AMENDMENTS

ARTICLE VIII

Subject to the provisions of The Corporation Act this constitution may be amended by the board of directors, but unless in the meantime confirmed by a majority of the members present in person at a meeting of the members duly called for that purpose, any amendment is effective only until the next annual meeting of members unless so confirmed thereat and, in default of such confirmation thereat ceases to have effect at and from that time, and in that case no new amendment of the same or like substance has any effect until confirmed at a meeting of the members.

Membership

HONORARY MEMBERS

Field Marshal Earl Alexander of Tunis, K.G., G.C.B., G.C.M.G.
Daniels, D. K., O.B.E.
Frost, Hon. Leslie M., Q.C.
Gardiner, F. G., Q.C.
Geary, Major B. H., V.C.
Gillespie, Lt. Col. George H.
Mansfield, S. J.
Osborne, Col. J. Ewart

LIFE MEMBERS

Allan, William N.
Anderson, D. S.
Ash, W. M. V.
Bassett, J.
Baxter, Ian S.
Baxter, Major James, M.C.
Beare, S. E.
Beatty, D. S.
Berkinshaw, R. C.
Best, Douglas W.
Borins, Norman, Q.C.
Boyles, Thomas A.
Burns, Charles F. W.
Clouse, Maj. Frank
Cobham, Arthur H.
Comber, W. W.
Cosens, G. G.
Craig, Lt. Col. John A. D.
Cranfield, Dr. Harold V.
Crummey, Dr. Clarence B.
Deacon, Fraser
Du Vernet, E. A., Q.C.
Eaton, Donald L. H.
Eisen, Sol.
Fletcher, S. S.
Frost, Lt. Col. C. S. Jr., Q.C.
Gillingham, W/C Harold G.
Goldring, Dr. C. C.
Harpham, H.
Hellyer, Hon. Paul T., P.C., M.P.
Hermant, Adam B. T.
Hermant, John D.
Hermant, Sydney
Hilborn, Lt. Col. Robt. H., M.B.E.
Hoffman, Charles C.
Hogg, Lt. Col. N. D., M.B.E., E.D.
Hough, T. E.
Howse, T. H.
Hughes, James O.
Inwood, A. E. M.
Jackman, H. N. R.
Jackman, H. R., Q.C.
Jamieson, H. T.
Johnston, W. D.
Joyce, James H.
Jupp, Lt. Col. D. H., O.B.E.
Karn, William M.
Kent, J. Palmer, Q.C.
Keys, N. A., M.C., Q.C.
Lambert, A. T.
Lawson, H. R.
Legge, Col. B. J., Q.C., E.D.
Low, Steven
Mackinnon, Lt. Col. A. P.
MacKay, Hon. Keiller
Matthews, Maj. Gen. A. B.
Matthews, Brig. F. B., C.B.E., Q.C.
McCrimmon, Maj. J. S. G.
McKinnon, N. J.
Michener, His Excellency Hon. D. R., P.C., Q.C., LL.D.
Mikkila, W. G.
Neelands, D. G.
Pallett, John C.
Parish, Dr. James A.
Phimister, Dr. Z. S.
Ridley, John B.
Roman, S. B.
Rosen, A. E.
Royce, Lt. Col. E. A., E.D.
Sandy, J.

Scythes, J. A.
Smeed, J. R.
Stark, Alexander, Q.C.
Strathy, Col. J. G. K.
Sullivan, Hon. Dr. J. A.
Thompson, Eric F.
Thomson, Garth O.
Thomson, K. R.
Waldie, Gordon
Watkins, William B.
Williams, J. K.
Wotherspoon, Brig. G. D. De S.

REGULAR

Abbey, Robert
Abbs, Charles E.
Abel, Albert S.
Abernethy, Lt. Col. W. W.
Abrahams, M. L.
Abram, George S.
Acheson, Arthur P.
Acomb, S. R.
Adair, Joseph
Adams, A. H.
Adams, J. C.
Adams, James V.
Adams, Nevin R.
Adams, Ross H.
Adams, W. Bruce,
Adams, W. H.
Adamson, Edwin F.
Adamson, G. A.
Adamson, Walter
Adye, Rev. Canon E. R. G.
Agar, Harold A.
Aitken, Lloyd T.
Aird, A. E.
Aitchison, R. J.
Alberts, Edgar T.
Albery, A. C. R.
Aldcorn, T.
Alexander, H. H.
Alexander, J. G.
Algar, John
Allan, Dr. Blandford
Allan, Roy D.
Allen, Ivan V.
Allen, R. D.
Allen, W.R., Q.C.
Allingham, N. W.
Allingham, S. A.
Allward, P. A.
Allworth, Robert D.
Ambridge, D. W.
Ambrose, Sheriff P. J.
Amos, J. L.
Ander, Morris
Anderson, Basil
Anderson, E. V.
Anderson, Hugh J.
Anderson, J. Murray
Anderson, R. V.
Anderson, Major Gen. T. V., D.S.O., C.D.
Andras, K. B.
Andreae, H. C.
Anglin, Robert S.
Angus, D. L.
Annett, D. R.
Annett, Lewis L.
Anthony, R. F. K.
Appleton, C. N.
Arbuckle, W. Walter
Archbold, Wm. D.
Archer, Donald J.
Archibald, C. R., Q.C.
Argue, D. R.
Armour, A. Douglas
Armour, John M.
Armstrong, G. A.
Armstrong, George
Armstrong, G. E.
Armstrong, Jas. A.
Armstrong, Joe C. W.
Armstrong, John S.
Armstrong, P. C.
Armstrong, Robert
Armstrong, Hon. W. Park
Arnold, Charles W.
Arthur, John B.
Ashworth, F.
Astle, G. W.
Astley, D. B.
Atherton, C.
Atkins, Lt. Col. L. F.
Auburn, F. W.
Auden, M. F.
Austin, Frank

Austin, J. Jarvis
Aykroyd, George

Babcock, Harold A.
Bagshaw, B. F.
Bagwell, George B., Q.C.
Bahen, G. W.
Bailey, John A.
Bailey, William K.
Bailie, A. A.
Bainard, R. H.
Baines, E. A.
Baker, Allan D.
Baker, Rev. A. Gordon
Baker, C.C. M.
Baker, C. G.
Baker, Col. E. A.
Baker, G. Allan
Baker, George
Baker, J. R.
Baker, Vern E.
Balfour, Norman E.
Ball, Gordon R.
Ball, J. R.
Ballantyne, R. B.
Band, Philip E.
Barber, Col. J. R., E.D., C.D.
Barber, Orville B.
Barber, William
Barclay, D. F.
Bardsley, J. W.
Bark, Chad F.
Bark, W. A.
Barlow, Hon. Justice F. K.
Barlow, L. E.
Barnes, Major F. A.
Barnes, Michael F.
Barnicke, J. J.
Barr, John A.
Barrett, F. L.
Barrett, L. C., Q.C.
Barron, Christopher
Barstow, J. M.
Barter, Ernest J.
Bate, Wm. B.
Bater, George W.
Bates, George H.
Bates, Dr. Gordon
Bath, Donald H. W.
Bawden, H. N.
Bayes, W. E.
Baylis, Roy E.
Beattie, A. L., Q.C.
Beauchamp, Walter N.
Beaumont, Arthur
Beaupre, W. J.
Beckerman, Irving
Bedolfe, Robt. D.
Bedolfe, W. V.
Beeston, George H.
Belak, Nicholas
Bell, B. D. Gordon
Bell, C. B.
Bell, Clarence W.
Bell, J. Donald, Q.C.
Bell, J. R.
Bell, Norman B.
Bell, N.H.
Bell, Norman O.
Bell, Peter
Bell, W. E.
Bell, W. E. N.
Belyea, Abner B.
Belyea, Roy E.
Ben, George
Benitz, B. M.
Benitz, John
Bennett, David T.
Bennett, Jacob M., Q.C.
Bennett, Rev. Reginald M.
Bentley, A. F.
Bentley, W. A.
Berner, W. G.
Berry, Harry H.
Berry, J. Wilson
Best, Dr. C. A.
Best, Gordon H.
Beveridge, C. G.
Bick, Charles O.
Bickerstaff, A. Harold
Bickle, W. N.
Biggar, H. T.
Biggs, G. L.
Biggs, Stanley C., Q.C.
Bilbrough, W. H.
Billes, A. W.
Birchall, R. T. D.
Birmann, E. K.
Birrell, Dr. Russell G.
Biscoe, J. V. J.
Bishop, Joseph
Blachford, H. A.

Black, Allan C.
Black, Paul F.
Blackburn, D. W.
Blain, Lysle K.
Blainey, James E.
Blair, S. M.
Blair, W. D'Arcy
Blair, Willis L.
Blake, Parker G.
Blanchard, H. A.
Blane, Robert
Blay, J. A.
Blenkinship, Cecil S.
Blue, Richard C. S.
Boehm, A. F.
Bond, H. B.
Bongard, Ian A.
Bonnycastle, Law C.
Bonus, John L.
Bonyun, Denis F.
Booth, Dr. C. W.
Booth, J. K. B.
Booth, Ross W.
Bordo, S. M.
Borins, Stephen
Bosanquet, L. C.
Bosworth, N. L.
Bourne, F. R.
Bourne, J. H.
Bourne, T. W. H.
Bowden, Frank
Bowden, John A.
Bowlby, R. A., Q.C.
Boyer, H. B.
Boyko, Jos.
Boyle, B. E.
Boylen, Lt. Col. P. F.
Boyter, J. B.
Bradley, Harold D.
Bradley, H. R.
Bradshaw, James A.
Bradshaw, Richard B.
Bradshaw, Robert H.
Braham, Richmond R.
Brain, George M.
Braithwaite, L. A.
Bramm, Geo. V., M.E.I.C.
Brander, F. Gerald
Brannan, C. C.
Branson, C.
Brant, Ruben
Breckenridge, R. J.
Breen, J. M.
Bregman, S.
Breithaupt, Douglas L.
Breithaupt, N. H.
Brent, John E.
Brethour, E. J.
Brett, H. O.
Breuer, K.
Breuls, Dr. A. M.
Brighton, A. G.
Broad, C. H.
Broad, F. Ralph
Broadley, J. E.
Brock, Frederick W.
Brockington, L. W.
Brockington, R. L.
Brocklebank, Frank
Brodie, Robert
Brodsky, Jack
Brooke, J. F.
Brookes, W. C.
Brooks, Dr. Clarence E.
Brooks, Herbert
Brooks-Hill, F. B.
Broomfield, George
Brown, Arthur E.
Brown, David J.
Brown, Eric J.
Brown, E. Lyle
Brown, F. I.
Brown, G. D.
Brown, George M.
Brown, Hugh E.
Brown, J. L.
Brown, J. Sommerville
Brown, Mannie
Brown, Marcus L.
Brown, T. F. S.
Brownbill, H. F.
Browne, W. Herman
Browning, W. H.
Brumell, J. K.
Brundage, C.
Brunskill, A. M.
Bruton, M. W.
Bryson, David M.
Buck, Dr. C. A.
Buck, H. D. R.
Buckley, R. J.
Budd, E. Bruce

Buddenhagen, W. C.
Bundy, Robert G.
Bunting, Pearce
Bunton, B. James
Burden, J. M., Q.C.
Burgess, H. T.
Burgess, R. B.
Burke, E. T. C.
Burke, H. Gwynne
Burke, Wm. G.
Burn, Kenneth
Burnard, F. S.
Burnham, Arthur J.
Burns, James E.
Burns, Lt. Col. L. J. W.
Burnside, Ed. G.
Burrows, R. G., Q.C.
Burry, C. J.
Burton, E. G.
Burton, Lt. Col. G. A.
Burtyk, M.
Butler, Ian
Butler, Sir Michael, Bt.
Butt, Douglas R.
Butt, Leonard W.

Cade, D. R.
Cadesky, L.
Caird, J. F.
Cale, W. R.
Calladine, Eric A.
Cambridge, Lt. Col. J. D.
Cameron, D. G., Jr.
Cameron, E. Rodney
Cameron, George C.
Cameron, Harold
Cameron, R. C.
Campbell, A. M.
Campbell, A. McE.
Campbell, C. B.
Campbell, D. L.
Campbell, E. M.
Campbell, H. C.
Campbell, Lt. Col. J. D. H.
Campbell, John R., Q.C.
Campbell, N. D.
Campbell, Paul J.
Cane, A.
Cappe, N. R., Q.C.
Cardy, A .Gordon
Carey, A. R.
Carleton, Major W. J.
Carlisle, D. C.
Carlo, John C.
Carnegie, A. D.
Carr, E. P.
Carradus, Capt. H. R.
Carrick, Donald, Q.C.
Carruthers, G. L.
Carson, C. E.
Carson, James L.
Carson, R. S.
Carter, J.
Cartwright, Hon. Mr. Justice J. R.
Carver, R. D.
Cary, Len
Cary, Leonard D.
Cary, Reginald
Casciato, L.
Cassels, Gordon T.
Casserly, F. W.
Cassidy, D. P.
Cassidy, Hugh F.
Casson, Richard
Catto, Jas. A.
Catto, John
Catty, James P.
Cauley, J. F.
Chadsey, P. J.
Chaffe, Richard S.
Chalmers, Floyd S.
Chambers, Lt. D. P.
Chambers, H. J. A.
Champion, R. H.
Chandler, Frank G.
Chaney, Bobb
Chant, Dixon S.
Chaplin, James R.
Chapman, F. D.
Chapman, S. F.
Chard, Thomas
Charles, Leo E.
Chase, T. Millar
Checkley, J. W.
Chester, Lane R.
Chettle, Peter L.
Chipp, W. G.
Chisholm, Dr. Lionel D. J.
Chisholm, Robt. F.
Chittick, W. J. H.
Chote, Rev. A. A., B.A., L.TH.
Christ, A. D.

Christian, Brig. J. D., C.B.E.
Christie, Col. J. H., M.C., E.D.
Christopher, W. H.
Chrysler, H. W.
Chubb, S. G.
Ciglen, Samuel, Q.C.
Clark, A. P.
Clark, A. S.
Clark, George F.
Clarke, G. F. S.
Clarke, James H.
Clarke, John A.
Clarke, K. H. J.
Clarkson, G. H.
Clarkson, Peter
Clarry, John H. C.
Clayman, B.
Clement, Brig. J. B.
Clinkard, Herbert S.
Clute, F. J.
Cohen, John C.
Coke, Major E. F.
Cole, James F.
Cole, Sydney
Cole, T. F. C.
Colebourn, Victor K.
Coleman, J. G.
Coles, Gordon E.
Collett, W. M.
Collier, W. R.
Collingridge, R. C.
Collins, Arnold P.
Collins-Williams, G. W.
Collombin, Beverley
Colnett, B. E., C.A.
Conn, Dr. A. W.
Connell, J. H. E.
Conner, Gordon
Conquergood, C. R.
Conquergood, J. N.
Conrad, J. C. P.
Consulat General France
Coo, H. Douglas
Coo, N. Douglas
Cook, Douglas H.
Cook, F. Gordon, Q.C.
Cook, G. A.
Cook, H. E.
Cook, R. A.
Cook, W. F.
Coolican, Denis M.
Coope, J. Alan
Cooper, G. E.
Cooper, S. C.
Cooper, Dr. W. J.
Copeland, G. W.
Copeland, Col. W. M.
Corbett, H. Milton
Corbett, J. E.
Corcoran, W. J.
Cork, E. Kendall
Corlett, Alva R.
Corlett, G. H.
Cormack, Dr. G. D.
Cormack, Wm. B.
Corneille, Rev. R. De
Cornish, F. Joseph, Q.C.
Corrigan, J. H.
Corson, C. R.
Cory, Peter D.
Cosbie, Dr. W. G., M.C.
Cosburn, W. Dale
Cosby, Stanley C.
Cosgrave, Rev. Dr. F. H.
Cottrelle, J. E.
Coulson, Donald I.
Coupland, Walter C.
Coutts, Wm. E.
Coventry, A. J.
Cowan, B. G.
Cowan, John
Cowan, O. D.
Cowan, W. D.
Coward, Laurence E.
Cowell, Philip E.
Cowling, Alfred H.
Cowper, David B.
Cox, E. S.
Cox, Norman
Cox, Trevor C.
Cox, Wm. H.
Coyne, James E.
Crabtree, Alan H.
Craick, W. A.
Craig, J. L.
Craig, J. R.
Crang, J. H.
Crann, Howard N.
Cranston, R. A.
Crashley, Lt. Col. J. D., C.D
Crate, A. V.
Crawford, E. H.

Crawford, H. P.
Creighton, W. L.
Creswell, J. A.
Cresswell, H. A.
Cressy, Joseph V.
Crichton, R. J.
Crispin, R. John
Critchley-Waring, Angus C. B.
Crompton, Maurice W.
Crone, M. H.
Crookston, J. G.
Croombs, Wm. J.
Cross, Rev. Canon C. D., B.A., LTH.
Cross, E. A.
Cross, W. B.
Crossingham, J. H.
Crossley, Donald G.
Crossley, F. W.
Crow, S.
Crowhurst, Fred
Cudbird, L. J.
Culbert, K. A.
Culnan, Dr. G. F.
Cummings, H. V.
Cummings, Major R.
Cummings, W. M.
Cummins, R. L.
Cunningham, G. A.
Currie, Gordon S.
Currie, Percival H.
Currie, Wm. M.
Currie, Wm. Seaton
Curry, T. E.
Curtis, G. H.
Curtis, W. A., JR.
Cuthbertson, Gordon
Cutler, J. F.

Dale, R. G., D.S.O., D.F.C.
Dales, Robert L.
Dalton, Lt. Col. C. O., D.S.O.
Dalton, Wm. H.
Daly, R. A.
Daly, R. A., Jr.
Darroch, H. C.
Davey, Frederic
Davey, I. E.
Davey, Keith
Davey, R. Ian
Davidson, I. D., C.B.E.
Davidson, Philip, Q.C.
Davie, J. H.
Davies, Rev. Emlyn
Davies, Rev. F. V.
Davies, H. E.
Davies, Dr. John B.
Davis, E. R.
Davis, M. B. W.
Davison, L. M.
Davison, Wilfred
Davy, Henry M.
Dawes, Herbert
Dawson, Isaac
Day, C. J. L.
Day, H. R.
Day, Robert E., Jr.
Deacon, Donald M.
Deacon, His Worship Magistrate John A.
Deacon, Paul S.
Deacon, T. R., Q.C.
Dean, Harold B.
Deans, M. C.
Dedman, Arthur M.
Deguerre, Fred L.
Delamere, R. D.
Denne, A. J.
Denning, Rev. Harry M.
Dennison, William
Derry, Dr. Duncan R.
Desbrisay, J. T.
Despard, John E.
Devey, Gordon R.
Devlin, G. M.
Devlin, John H.
Devor, B.
Dewar, A. M.
Dewar, K. M.
Dewling, E. G.
Dewsbury, Howard
Dickinson, Rev. Dr. C. H.
Dickinson, M. R.
Dierlam, Howard
Dies, Wm. C.
Dignam, D. S.
Dilworth, W. A.
Dimma, W. A.
Dingle, D. B.
Dinsdale, S. E., Q.C.
Disler, Dr. G.
Disney, Russell

Dix, Wm. B.
Dixon, A. B.
Dixon, B.
Dixon, William E.
Dixon, W. M.
Doe, Roger G.
Doherty, J. H.
Dolson, Dr. Wilbur J. M.
Donolo, Louis
Donovan, Geo. R., Jr.
Dooley, T. B.
Dorken, H. R.
Dorman, Eric J.
Doughty, C.
Douglas, C. R.
Douglas, J. A.
Douglas, Lt. Col. R. G., C.D.
Dowie, Ian R.
Downer, Capt. The Hon. Rev. A. W.
Dowsett, H.
Dowsett, R. E.
Drake, W. K. T.
Draper, J. W. P.
Drew, Hon. George A., P.C., Q.C.
Driver, R. G.
Drucker, L. D.
Dryden, G. R.
Dubin, C. L., Q.C.
Duff, John A.
Duggan, William M.
Duguid, Lorne W.
Dumbrille, John C.
Dunbar, Arthur W.
Duncan, D. F.
Duncan, Robert A.
Duncan, W. A.
Dungey, E. B.
Dunkelman, D.
Dunlap, David M.
Dunlap, J. Moffat
Dunlop, Major Edward A., G.M., O.B.E.
Dunlop, J. Gordon
Dunlop, J. P.
Dunmall, Maurice M.
Dunn, Michael S.
Dunnet, Gordon
Dunsdon, Lionel H.
Dunwoody, James M.
Durnan, N. E.
Dutton, B. A.
Dutton, C. Sidney
Dye, Edward H. M.
Dye, Harold E.
Dye, R. A. E.
Dyer, Dr. D. W.
Dyer, Virgil V.

Eade, Edgar
Eakin, Joseph S.
Easson, E. B.
Eastmure, A. W.
Eastoe, S. A.
Eberts, Edmond G.
Eby, Peter B.
Echlin, Charles
Eckel, James B.
Eckler, Samuel
Edgar, G. Fleming
Edison, John G., Q.C.
Edwards, Alexander
Edwards, A. Geoffrey
Edwards, A. H.
Edwards, Dr. H. E.
Edwards, James C.
Edwards, S. E.
Elder, C. K.
Elder, John J.
Elgie, G. C., Q.C.
Elias, Murray
Elliot, Bruce G.
Elliot, B. V., Q.C.
Elliott, C.
Elliott, Charles R.
Elliott, Donald R.
Elliott, H. H.
Elliott, H. J.
Elliott, Stephen
Elliott, W. J.
Ellis, C. Q.
Ellis, J. F.
Ellison, R. S.
Ellison, S. G.
Elmsley, James B.
Elton, J. O.
Ely, Edward H.
Emerson, R. V.
Emmert, T. J.
Emond, Douglas L.
Empringham, John R.

Engholm, R. A.
England, W. T.
Epstein, H. B.
Epstein, Morris H.
Ethell, H.
Etherington, F. C.
Evans, G. R.
Evans, J. R.
Eyton, Trevor
Ezrin, Sydney

Faber, George
Facey, H. G.
Fair, Albert W.
Fairbairn, R. L.
Fairclough, Arthur B.
Fairclough, R. Peter
Falkiner, F. H.
Fallis, Clare R.
Fallis, Geo. A., Q.C.
Falls, Orville M.
Fardoe, H. R.
Farley, T. S.
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Foster, R. E.
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Fournier, R. P.
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Freeman, L. R., O.B.E., Q.C.
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Friesen, Frank
Frittenburg, G. D.
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Frohberg, Dr. M. H.
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Frost, Edward C.
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Fullard, C. H.
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Garrett, Albert H.
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Gaunt, J. Wm.
Gedye, W. P. B.
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Gianelli, Brig. N. A.
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Johnson, Sidney
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McGill, K. W.
McGillion, F. B.
McGillivray, Mr. Justice George A.
McGinnis, Brig. J. A.
McGowan, James R.
McGowan, L. J.
Mcgrath, Rev. A. S.
McGregor, I. R.
McGuffin, H. R.

McGuinness, M. B.
McGuinness, Vincent de P.
McHaffie, H. G.
McHaffie, Ian G.
McHenry, Eric H.
McHoull, W. D.
McIlraith, J. H.
McIntosh, Donald A.
McIntyre, W. M.
McIver, Murdoch
McIvor, Duncan
McKaughan, Cecil J.
Mckay, Huntley W. F.
McKay, I. H.
McKay, W.
McKee, John W.
McKee, R. J.
McKee, Ron
Mckee, Wm.
McKeough, W. Darcy
McKeown, Donald
Mckeown, Warren R.
McKinlay, R. A.
McKinney, F. T.
McKinney, R. E.
McLaughlin, Paul
McLaughlin, Col. R. S.
McLaughlin, William A.
McLean, D. L.
McLean, John R.
McLellan, Robert F.
McLeod, Dr. Alex. N.
McLeod, Norman
McLeod, W. N.
McMahon, H. W.
McManus, Daniel W.
McMechan, J.
McMillan, Edwin
McMillan, G. A.
McMillan, John
McMillan, Rev. Kenneth G.
McMonagle, C. E.
McMorran, W. Harold
McMulkin, George J.
Mcmurrich, Robert G.
McMurray, James C.
McNair, F. A. R.
McNair, R. A.
McNaughton, K. R.
McNeil, R. Campbell
McNeil, S. R. R.
McNeil, W. G.
McNeillie, James R.
McNevin, R. A.
McNicol, J. A.
McQueen, Henry
McRae, Dr. Colin A.
McRae, Ian F.
McTague, Hon. C. P., Q.C.
McTague, J. C., Q.C.
Mctague, W. C.
McVitty, E. H.
McWilliams, David B.
McWhirter, J. T.
Meadows, Roy
Medland, J. A.
Medland, M. R.
Medland, R. I.
Medland, Col. Thomas M.
Medler, A. S.
Meech, R. C., Q.C.
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Megaffin, D. J.
Megginson, Clifford
Menzies, J. Alexander
Mercer, D. A.
Merchant, D. F.
Meredith, A. B.
Merker, H.
Merson, B.
Mettler, F.
Mewhort, D. S.
Meynell, David
Miano, D. J.
Middleton, B. M.
Middleton, John G., Q.C.
Middleton, V. A.
Miles, Ernest
Milic, Vladan
Millar, John W.
Millar, R. V.
Miller, Hamilton
Miller, J. A. F.
Miller, James C.
Miller, J. G.
Miller, T. D.
Milligan, V.
Milloy, A. L.
Mills, Dr. Clarke
Mills, George E.
Mills, P. H., Q.C.
Milne, Alex G.

Milne, Douglas G., Q.C.
Milne, Gilbert A.
Milner, William S.
Minden, Harold
Minkler, Dr. F. W.
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Mitchell, Dr. E. W.
Mitchell, G. P.
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Mitchell, Robt. N.
Mitchell, R. W.
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Moffatt, Earle E.
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Moffat, J. A.
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Moise, William
Moisley, P. T.
Moles, E. M.
Mollenhauer, A. O.
Monson, Rabbi David D.
Montgomery, Lt. Col. M.
Montgomery, Scott
Moog, Gerhard W.
Mooney, Reginald
Moore, E. M.
Moore, Frank J.
Moore, G.
Moorhouse, Dr. H. C.
Morgan, F. R.
Morgan, J.
Morgan, M. H.
Morgan, Raymond
Morison, D. W.
Morley, Frank
Morningstar, Dr. R. W.
Morris, J. B.
Morris, James L.
Morris, Roy
Morrison, D. M.
Morrison, R. J.
Morrison, Wallace J.
Morrow, H. M.
Morrow, John A.
Mortimer, J. C.
Morton, M. D.
Morton, Brig. R. E. A.
Mould, Jack
Mudie, Hubert C. P.
Mugford, Sidney H.
Muir, Lt. Col. Charles A.
Muirhead, W. T.
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Mullin, J. A.
Mulloy, C. Lloyd
Munn, Charles H.
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Murchie, W. T.
Murden, K. G.
Murgatroyd, Robt. E.
Murphy, A. P.
Murphy, E. S.
Murphy, Thos. H.
Murray, Donald C.
Murray, Dr. J. S.
Murray, John W.
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Mutchmor, Rt. Rev. Dr. J. R.
Myers, Rev. A. J. Wm.
Myles, Peter B.
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Nablo, George P.
Nanton, P. C.
Napier, E. J.
Nash, Norman R.
Nastich, Milan
Neabel, C. C.
Neale, John H., D.C.
Near, H. W.
Neary, B. F.
Nelson, William A.
Nesbitt, Percy H.
Newbold, J. S.
Newby, H. D. R.
Newman, H. A., Q.C.
Newman, John B.
Newman, Oscar
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Newsham, Major The Rev. R.
Nicholls, David J.
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Nicholls, Samuel G., M.B.E.
Nicholson, K. E.
Nicks, F. W.
Nightingale, G. F.
Nixon, Edward A.
Noble, Robert H.

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Nodwell, Rev. R. G.
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Nolan, J.
Norman, W. H.
Norrington, H. W.
Northey, J. A.
Northway, John H.
Notley, Norman J.
Notzl, Paul
Nowack, Wm. B.
Nurse, R. C.
Nuttall, Harold

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O'Connor, Thos. P.
O'Connor, W. M.
Odell, Gordon J.
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Ogden, John
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Oliver, Thos. O.
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O'Reilly, J. Gordon
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Orenstein, Samuel
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Osborne, R. D.
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Owston, Rev. R. H. T.

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Page, Gordon
Page, Dr. M. A.
Page, N. L.
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Palmer, Godfrey
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Parker, Wm. G.
Parkinson, R. M.
Parks, Captain Arthur H.
Parmenter, M. D.
Parnell, J. A., O.B.E.
Parr, Rev. R. Harold
Parson, Rev. G. P.
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Parsons, Colin J.
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Partington, Eric
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Paton, David S.
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Patterson, Thomas A.
Patterson, Major W. E.
Pattison, W. S.
Patton, John A.
Pattullo, Murray
Patzig, H.
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Paulson, M. T.
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Payne, Ralph B.
Peace, G. D.
Peace, Robert R.
Peachey, Edmund
Pearce, Richard C.
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Pearson, E. G.
Peatfield, D. E.
Peckover, Geo. H.
Peebles, Alfred W.
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Pelly, J. K.
Pemberton, Frank E.

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Pepper, P. B. C., Q.C.
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Peppler, J. H. O.
Perkes, Edward
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Perkins, N. R.
Perrin, H. D.
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Perry, L. W., Q.C.
Perry, Peter
Petersen, H. V.
Peterson, N. F.
Peterson, W. D.
Petlock, Martin J.
Peto, Capt. E. M.
Pettit, Holland, Jr.
Phelan, R. G.
Phillips, J. C.
Phillips, Jas. F.
Phillips, Leslie
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Philp, D. F.
Phipps, C. N.
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Pickard, J. G.
Pilarek, Paul
Pilis, C. F.
Pineo, Lloyd G.
Pink, J. W.
Pinker, Rev. Martin W., O.B.E.
Pitt, Arnold
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Plant, A/V/M John L.
Planter, J. F.
Platt, Robert G.
Playfair, S. B.
Pollack, S.
Pollard, F. G.
Pollock, J. D. M.
Poole, G. R.
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Porter, Donald S.
Porter, J. D.
Potter, Raymond E. S.
Potts, John A.
Potts, J. H.
Poulson, Andrew
Pound, T. W.
Pounsett, F. H. R.
Powis, Alfred
Powley, B. G.
Poyntz, A. R.
Praysner, Maj. John
Prentice, Magistrate John L., Q.C.
Prentice, Victor F.
Preston, Harry T.
Pretty, David W.
Price, Grenville C.
Price, Harry I.
Price, Peter M.
Price, Vincent, Q.C.
Prince, Charles G.
Prince, H. R.
Pringle, Donald M.
Prior, Rev. William
Pritchard, E. M.
Procter, W. Harley
Proctor, John S.
Proverbs, C. I.
Prowse, Russell A.
Puddy, B. B.
Puffer, Dr. A. Douglas
Pugsley, T. A.
Pullan, H.
Purcell, Gillis
Purchase, H. W.
Purkis, John E.
Purvis, Burt
Purvis, G. I.
Puttock, Nigel W.
Pyper, D. G.

Quinn, W. J.

Rabnett, Basil
Rackley, Frank B.
Radford, R. D.
Radley, Ronald L.
Rae, Robert
Raleigh, R. C.
Ralph, George W.
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Rambo, W. L.
Ramey, P. A.
Randall, H.
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Rankin, Donald G.

Rankin, Lt. Col. G. A., D.S.O., E.D.
Ranney, J. J.
Rapmund, J. L.
Rapsey, Hugh A.
Ratcliff, C. A.
Rawson, C. M.
Ray, Louis W.
Rea, W. Harold
Ream, G. H.
Reason, J. F.
Rector, L. G.
Reddrop, F. O.
Redfern, D. B.
Redford, Wm. J.
Redwood, J. A.
Reed, Dennis A.
Reed-Lewis, W.
Reeves, David C.
Reeves, E. H.
Regan, Maj. N. H.
Reid, A. D. G.
Reid, Dr. H. W.
Reid, J. C.
Reid, J. H.
Reid, Morgan
Reid, Robert F., Q.C.
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Reilly, A. G.
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Relyea, T. A.
Reynolds, J. E.
Rhind, J. A.
Rice, Prof. H. R.
Rice, Martyn A.
Richardson, F. L.
Richardson, John D.
Richards, Roland W.
Richmond, Frank
Richmond, W. R.
Rickard, W. Paul
Rickey, H. R.
Rickwood, George
Rigby, T. A.
Riley, Very Rev. Dean
Ripley, T. S.
Ritchie, Gen. Sir Neil
Ritchie, Ronald S.
Rittersporn, H. L.
Robb, David
Robb, Victor G.
Roberts, Hon. A. Kelso
Roberts, Harold E.
Roberts, John H.
Roberts, L. V.
Robertson, D. S.
Robertson, Ian R.
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Robins, Sydney L., Q.C.
Robinson, C. F.
Robinson, E. W.
Robinson, Lt. Col. F. R.
Robinson, J. B.
Robinson, R. A. G.
Robinson, T. A.
Robinson, William A.
Robinson, W. K.
Robson, Chas. R.
Robson, J. A.
Rockingham, J. E.
Rodgerson, Dr. J. S.
Roe, Dr. Alan A.
Roebuck, Hon. A. W., Q.C.
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Rogers, A. W.
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Rogers, Ian F. H.
Rogers, James S.
Rogers, N. Mac L., Q.C.
Rogers, Wm. M.
Rogerson, W. R.
Rokeby-Thomas, The Rev. Dr. H. R.
Rolland, Lucien G.
Rollason, W. E.
Roost, G. H.
Rosborough, T. H.
Rose, Allan C.
Rose, B. D.
Rose, J. W., Jr.
Rose, P. M.
Rosenberg, Henry S.
Ross, Ian
Ross, J. Allan
Ross, James D.
Ross, John B.

Ross, J. N.
Ross, M. C. C.
Ross, Dr. Murray G.
Rounthwaite, C. F. T.
Rous, W. A.
Routley, C. B.
Rowan, Hugh
Rowland, J. G.
Rowntree, The Hon. H. Leslie
Roxborough, E. L.
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Roy, Hedley E. H.
Roy, Kayo J.
Roy, Robert M.
Royes, Lewis T.
Rozovsky, H.
Rubin, Dr. Leon J.
Rush, Frank N.
Russell, Allen D.
Russell, D. K.
Russell, E. B.
Russell, G. R.
Russell, N. E.
Russell, S. H.
Russell, Major T. B., C.D.
Rutherford, F. R.
Rutherford, J. M.
Rutherford, Robert C.
Ruttan, Col. C. M., C.B.E.
Ruwald, Donald, Q.C.
Ruys de Perez, A.
Rykert, John C.
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Sablin, W. R.
Sadowski, B.
Saigle, E. G.
Sakamoto, H.
Salmon, C. R. B.
Sanders, C. J.
Sanderson, Horrell
Sankey, R. V.
Santamaura, Dr. A. W.
Sarjeant, Dr. D. A.
Saul, Col. W. J., C.D.
Saunders, E.
Saunders, Leslie H.
Saunders, Robert E.
Savage, Mark J.
Savage, R. S.
Savage, T. L.
Scane, Ralph E.
Scanlan, Lt. Col. P. D., D.F.C., C.D.
Schakelaar, G.
Schelling, Robert F.
Scherer, Joseph
Schiller, S. C., Q.C.
Schipper, Lionel
Schmidt, R. A.
Schroeder, Gordon D.
Schury, R.
Scott, Eric D.
Scott, Ernest W.
Scott, G. T.
Scott, Ian G.
Scott, J. Kenneth
Scott, Karl E.
Scott, Linton W.
Scott, Robert H.
Scott, W. P.
Scott, Wilfrid R.
Seabrook, V. M.
Seagram, M. H.
Seamark, Col. W. H.
Seaton, Dr. D. G.
Seccombe, N. M.
Secord, D. A.
Sedgewick, G. Gordon
Sedgewick, R. M.
Sedgwick, Hugh
Sedgwick, J., Q.C.
Seedhouse, A. T.
Seguin, J. H.
Seifert, Harold L.
Seigel, Morris
Selby, F. R.
Self, R. Harvey
Sellar, G. M.
Seltzer, John
Sennett, D. M.
Sentance, L. C.
Sewell, Ralph E.
Sewell, Wm. S.
Seyfried, Jan. A.
Shakespeare, W. C.
Shales, R. I.
Shapiro, B. Barry, Q.C.
Shapiro, N.
Sharp, The Hon. Mitchell
Sharp, Roy C., Q.C.
Sharpe, L. B.

Sharpe, Dr. S. S.
Sharwood, Gordon R.
Shaub, Harold A.
Shaver, H. R.
Shaw, D. Bruce
Shay, P. G.
Sheard, T. G.
Shearson, John F.
Sheath, K. W.
Shelley, Brian H.
Shelson, Norman
Shemanski, Ralph J.
Shepard, C. D.
Sheppard, G. H.
Sheppard, M. E.
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Sherk, Frank T.
Sherlock, J. F.
Shillabeer, L. R.
Shillington, C. Howard
Shiner, I.
Shipp, Gordon S.
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Shore, Louis A.
Short, Rev. John, PH.D., D.D.
Sifton, Lt. Col. Clifford
Sifton, Michael C.
Sigsworth, Oscar T.
Silverstein, Dr. Harry
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Simmons, George H.
Simonds, Lt. Gen. G. G.
Simpson, J. R.
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Sinclair, William R.
Singer, Leonard G.
Skelly, James T.
Skey, W/C L. W., M.P.
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Smart, T.
Smiley, Ross V.
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Smith, C. H.
Smith, D. M.
Smith, D. M. A.
Smith, Dean
Smith, Donald S.
Smith, Rev. Canon F. A.
Smith, F. R.
Smith, Harold
Smith, Harry R.
Smith, Isadore
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Smith, K. B.
Smith, L. J.
Smith, L. R.
Smith, N. K.
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Smith, Dr. T. O.
Smith, W. G.
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Sneath, A. V.
Snelgrove, L. S.
Snell, Paul F.
Snow, Brig. Eric
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Soady-Easton, Lt. Col. E., C.D.
Soame, G. Reginald
Softley, R. L. W.
Solla, A. H. De
Solman, N.
Sone, Shael S.
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Sorley, S.
Southam, W. W.
Southey, J. B. S.
Soward, H. G.
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Sowden, A.
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Sparrow, Eugene E.
Speicher, N. A.
Speirs, N. R.
Spence, J. G.
Spence, Dr. Magnus
Spencer, Crawford R.
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Springer, G. M.
Spry, W. F.
Squire, A. E.
Stackhouse, Rev. Dr. Reginald
Stafford, George O.
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Stapells, R. Bredin, Q.C.
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Steedman, R. T.
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Steen, Ben R.
Steeves, F. L.
Steinbach, C. H.
Steiner, R. N.
Steinhauer, D.
Stephens, Nigel
Stephenson, H. E.
Stephenson, K. S.
Sterling, Stanley C.
Stern, Milton L.
Stevens, Col. G., C.D.
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Stevens, Sinclair
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Stevenson, B. O.
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Stewart, Gordon A.
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Stewart, Peter
Stewart, Peter R.
Stewart, R. K.
Stewart, Robt. S.
Stewart, W. A.
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Stogdill, Dr. C. G.
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Story, R. E.
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Strathy, Robert A. C.
Strike, W. Ross, Q.C.
Strong, M. B.
Stuart, A. K.
Style, Humphrey
Sullivan, C. A. L.
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Sumner, John R.
Sussman, Irving Paul
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Sutton, W. J.
Swayze, G. W.
Sweetman, N. A.
Swift, Charles A.
Swinden, J. N.
Switzer, J. H.
Syron, M. D.

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Tancock, H. V.
Tanenbaum, Max
Tatchell, H. Charles
Taylor, D. R.
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Taylor, E. P.
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Taylor, Grant E.
Taylor, H. T. Crozier
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Taylor, Patrick H.
Taylor, R. G.
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Taylor, William E.
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Telfer, William
Thomas, F. E.
Thomas, Dr. H. H.
Thomas, Morley K.
Thomas, R. H.
Thompson, E. P.
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Thompson, J. C. W.
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Thomson, Harold W.
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Thomson, Malcom F.
Thomson, R. M.
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Thomson, Robert G.
Thorburn, W. H. A.
Thornton, H. G.
Tiffany, Kenneth C.
Tilley, J. S.
Timmins, J. G.
Tims, H. S.
Tindall, W. A.
Tinker, John B.
Tiviluk, G.
Tobias, F. G.
Todgham, R. W.
Tolmie, MacEachern
Tomlinson, John D.
Topp, G. E.
Torrance, F. W., Q.C.
Torrie, Fraser G.
Touchie, G. J.
Tow, Donald, K., O.B.E., E.D.
Townley, I. D.
Traber, Hans
Tredwell, Eric
Trelford, Dr. W. G.
Trethewey, S. D. C.
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Tupling, F. E.
Turnbull, D. W.
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Turner, Douglas H.
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Turville, Frank D., Q.C.
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Underell, J. W. J.
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Urquhart, Norman C.

Vale, Dr. Bruce W.
Vallery, Hugh
Vance, Denis E.
Vanderploeg, Col. J. S.
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Van Nostrand, Dr. F. H.
Van Nostrand, Innes Neil
Vansickle, F.
Vanstone, F. S.
Vaughan, Bryan
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Vince. Dr. Anthony J.
Virtue, Roy A.
Vokes, Donald A.
Von Bredow, M. W.
Von Zuben, Ross

Waddell, G/Capt. R. C. A.
Wadland, J. B.
Wadsworth, J. P. R.
Waffle, H. O.
Wagland, A. F.
Wagner, George H.
Waid, Dr. W. C.
Wainwright, L. A.
Wakefield, H.
Wakelin, James W.
Waldie, R. S.
Walker, A. R.
Walker, A. S.
Walker, C. W.
Walker, Senator The Hon. D. J., P.C., Q.C.
Walker, David I.
Walker, Hugh P.
Walker, J. B.
Walker, J. D.
Walker, L. J.
Wall, Thomas P.
Wallace, Brian J.
Wallace, Brig. F. G.
Wallace, L. M.
Wallace, R. H.
Wallace, R. J.
Walley, W. H.
Walsh, Norman
Walton, Chas. A.
Walton-Ball, Dr. H. G.
Walwyn, J. P.

Wanless, Herbert E.
Wansbrough, F. A.
Ward, D. H.
Ward, Major Francis N.
Ward, G. H.
Wardlaw, David R., Q.C.
Wardle, T. A.
Wardrope, Hon. George
Ware, W. T.
Warner, M. J.
Warnes, Charles
Warren, Donald P.
Warren, E. W.
Warren, Harold D.
Warren, J. Armand
Warren, J. R.
Wasteneys, Lt. Col. J. G.
Wasylenko, Dr. John
Watker, Raymond K.
Watkins, John C.
Watkinson, Wm. C.
Watson, C. E.
Watson, David B.
Watson, W. G.
Watt, Dr. J. G.
Watt, Rev. J. Robert
Watt, Raymond
Watts, Murray E.
Waugh, A. R.
Waugh, F. D. R.
Way, Major S. C., C.D.
Wears, Geo. M.
Weaver, John L.
Webb, Dwight
Webb, J. Leslie D.
Webster, H. F. R.
Wedd, S. M.
Wedgwood, Sir John
Weeks, A. L.
Wees, W. R.
Wegg, George S.
Weimer, D. P.
Weinberg, Bernard, Q.C.
Weinert, Major R. I.
Weir, John G.
Weir, J. R.
Welch, Robert S., M.P.P.
Weldon, J. O., Q.C.
Welland, R. H.
Wells, Charles M.
Wells, Hon. Mr. Justice D.C.
Wenzel, J. S.
West, C. K. F.
West, Brig. Forbes E., E.D.
West, R. Bruce
West, R. C.
Westaway, C. E.
Westhead, Brig. J. F.
Westlake, C. W.
Wharton, Harry T.
Wheeler, Rev. G. W. B.
Whelpton, E. W.
White, A. B.
White, C. E.
White, C. Lear
White, F. T.
White, Geoffrey B.
White, Norman A.
White, Roy B.
Whiteacre, J. A. W., Q.C.
Whitehead, Harry E.
Whitehead, J. D.
Whitfield, A. E.
Whiting, Lester
Whitley, H. E.
Whitley, T. F.
Whitney, Moxie
Whittaker, G. C.
Whitten, John A.
Whitton, F. A.
Wicklum, L. Earle
Wiertz, L. M.
Wig, Joseph C.
Wilcox, T. Murray
Wilder, W. P.
Wildman, A. C. L.
Wildman, J. E. A.
Wilkes, A. E.
Wilkes, Lieut. Col. F. H.
Wilkes, Peter G.
Wilkins, Cyril H.
Wilkins, D. J.
Wilkinson, E. A.
Wilkinson, Right Reverend F. H.
Wilkinson, Herbert
Wilkinson, Kenneth
Willey, G. E.
Williams, Aubrey E.
Williams, L. K.
Williams, R. L.
Williams, Lt. Col. Wm. Eric
Willis, D. G.

Willis, George A.
Williston, W. B.
Willmott, R. M.
Willoughby, W. J.
Willson, Kenneth M.
Wilson, A. L.
Wilson, C. C.
Wilson, Charles H.
Wilson, D. Fraser
Wilson, Glen A.
Wilson, Harry H.
Wilson, John A.
Wilson, R. D.
Wilson, R. J.
Wilson, Ray R.
Wilson, Thos. L.
Wilson, W. H. T.
Winter, L. W.
Winter, W. S.
Winters, Douglas
Winters, Hon. R. H.
Wise, Dr. David K.
Wise, Fred
Wisener, R. A.
Wismer, W. M.
Withrow, John B.
Wittstock, F. W.
Wittstock, Roy C.
Wong, H. R.
Wood, Alan
Wood, Don S.
Wood, Dr. Frank
Wood, G. H.
Wood, J.
Wood, R. J.
Woodrooffe, G. T. N.
Woodrow, F. A.
Woods, David M.
Woods, George
Woolley, Ian C.
Woolley, Robert J.
Woolnough, W. H.
World, Sanford
Wormley, M. W.
Worrall, James
Worth, R. H.
Wortsman, Harvey
Wright, C. A.
Wright, Dr. Edgar N.
Wright, F. A.
Wright, Harlow H.
Wright, John A.
Wright, J. R.
Wright, J. S.
Wright, Peter
Wright, S. D.
Wright, Tom W.
Wyatt, H. L.

Yalden, R. E.
Yaneff, Chris.
Yaremko, Hon. John, Q.C., M.P.P.
Yarmey, Dr. W. J.
Yeomans, F. S.
Yerger, John H.
Yocom, J. H.
Yocom, Paul A.
Yoerger, J. S., Q.C.
Yolleck, Ben. A.
Yolles, S.
Young, J. Ross
Young, K. B.
Young, N. D.
Young, R. L., Q.C.
Young, Reginald L.

Zahumey, S.
Zeldin, J. L.
Zimmerman, Adam H.